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## The Nation's Business

### The Weakness of Canada's Leadership

THE weakness of political leadership in Canada today was sharply emphasized at this week's great Liberal rally at Toronto. Thousands of cheering party friends and supporters sweltered in tribute to their leader on the 20th anniversary of his accession to the leadership. With an election in prospect, they listened eagerly for the views of the Prime Minister on great issues of the day.

What they heard instead were the personal reminiscences of an elderly Canadian statesman and a discursive commentary on the principles of Liberalism. There was only one brief reference to any major domestic or international problem—a negative statement of Canada's position in the world crisis.

* * *

MR. KING has every right to reminisce. The length of his public service entitles him to do that. But Canada today demands leadership in solving national problems and not merely tales of the days gone by.

To reiterate the difficulties inherent in the government of Canada, without a constructive, challenging declaration on the problems that are the responsibility of Mr. King's government; to talk of the need for "defending and extending the frontiers of freedom" without a word of encouragement to those leaders throughout the Empire who are preparing to defend freedom in the world at the risk of everything they as well as we hold dear; to talk of the care that must be taken of minorities without reference to meeting the needs of all the people—all this seemed strangely inadequate at a time when not only Liberals but all peoples throughout Canada are eagerly seeking counsel and leadership on great and troublous issues of the day.

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UNTIL Mr. King broached Canadian foreign policy in the finishing paragraphs of an hour-long discourse, he made scarcely a reference to any of the questions currently exercising business and political leaders in Canada today.

Not a word about railways, not a word about unemployment, not a word about budget balancing or taxes, *about agriculture,* about immigration, *about* defense policy.

The work of the Rowell-Sirois Commission was briefly mentioned, but here (as usual) Mr. King avoided any commitment beyond expressing a hope that when this body had finished its deliberations the Federal and Provincial Governments would be able to find a way out of present difficulties.

Canada wants to know what Mr. King proposes to do about Dominion-Provincial relations. He gave no hint that he has any views on the subject at all.

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### Negative Approach to Foreign Policy

NOT only did Mr. King's speech fail utterly to deal positively and convincingly with crucial domestic issues. On the vital matter of Canada's policy in the world crisis he failed once again to interpret and emphasize the positive side of Canada's position.

More than once during his speech the Prime Minister talked earnestly of the need for "defending and preserving freedom." He concluded in fact by declaring:

"If we be true to our cause we must seek to extend and defend freedom not only in our own land but be prepared to do it in the interests of mankind wherever the need arises."

That would have been a splendid point from which to have gone on to a statement of Canada's essential unity of purpose with the other Empire countries. Such a statement did not come.

Instead, the most emphatic and positive utterance of Mr. King's entire address was his insistence that, in the face of world conditions, the Canadian Government was firm and unyielding in its refusal to commit the country in advance to any policy. That "is one thing we will **not** do," he said.

Not a word about what Canada will do. Not a word to express the great unanimity of the Canadian people in their desire to stand by the Empire in the present crisis. Not a word as to Canada's own defense programme or our share in Empire defense. Not a word—except obliquely—to make it clear that Canada backs Britain to the limit in calling a halt to the Nazi-Fascist dictators.

* * *

THE gathering at which Mr. King spoke was a purely political gathering. It was called in tribute to the leadership which Mr. King has displayed as party chieftain during the past two decades. A secondary purpose was the gathering of Liberal stalwarts from all parts of Canada in anticipation of a general election in the near future. The time was appropriate for some very plain speaking on the great political questions of the day.

The weakness of political leadership in Canada is the weakness which showed itself so clearly in Mr. King's speech. It is failure to deal un-

(Continued on page 2, col. 3)

# Watch Toronto Move To Get Utility Taxes

## Study Plan Which Would Add $40 Millions to Assessment

### PARITY SOUGHT

From Our Own Correspondent

MONTREAL. — Privately-owned utility operators in Quebec, and other provinces for that matter, are watching with close interest the move to tax the publicly-owned utility properties in Toronto.

For years past the pet grievance of the private utilities has been the fact that the publicly-owned utilities in Ontario have largely been tax exempt. They have been tax-free in other provinces, too, but the successful Ontario Hydro-Electric system has been picked out as the chief target of criticism.

Behind the grievance lies the fact that all too often proponents of public ownership have pointed to the rates charged for domestic service in Ontario, claiming that their lowness was due to government ownership, etc. Just as often they overlooked the fact that there is no more difficult thing to compare than electricity rates; and, of principal interest to the privately-owned companies, the fact that Ontario Hydro and the other municipal systems in Ontario pay limited taxes whereas the privately-owned companies pay heavily in this regard.

**Fight Against Inequality**

Privately-owned utilities have not been backward in defending their position. Throughout their annual reports is continued emphasis on the tax burden carried by the privately-owned companies and ability of publicly-owned concerns to operate with little contribution to Dominion, provincial or municipal coffers.

John S. Norris, president of Montreal Light, Heat and Power Consolidated, has been active in attacking the tax position of Ontario Hydro. On the basis of last year's earnings his company paid $1,361,965 to the Dominion Government in income tax and around $2.1 millions in the form of other taxes to the Dominion and other taxing authorities.

Edward Anderson, president of Winnipeg Electric Co., pointed out in his 1938 report that consolidated taxes paid on 1938 income totalled $568,276, whereas the net income of the company, after payment of bond interest, amounted to only $39,034.

**Carry Big Load**

W. G. Murrin, head of B. C. Power Corp., reported that in 1938 his company paid in taxes $1,705,540, or 11.3% of gross revenues. These figures include only the direct property and income tax.

A. J. Nesbitt, president of Canada Northern Power Corp., told the shareholders that last year their company paid out $546,607, or 10.62% of gross revenue, in taxes. These charges included only property and income taxes and did not take into account sales and a host of other taxes.

On the same basis the amount paid out by Southern Canada Power, according to J. B. Woodyatt, president, was $277,733. This was equivalent to $9.60 per customer per year.

Heads of other private utilities reported to their shareholders in much the same vein, the amount paid varying with the size of the company.

**In Favored Position**

The importance of the tax question is made more apparent by an examination of the returns for the central electric station industry as a whole. During 1937, the last year for which complete returns are available, the industry paid $9.8 millions in taxes. The privately-owned stations paid $9,256,477 and the publicly-owned stations only $587,324.

On the basis of revenue the disparity is even more glaring. In 1937 the industry had a total revenue of $143.5 millions, divided $85.3 millions as to private stations and $58.2 millions as to public stations.

Agitation against the tax-exempt utility properties in Ontario is

(Continued on page 2, col. 7)

# Commission Poses Election Problems

## Delay in Report Causes Argument Among Strategists

From Our Own Correspondent

OTTAWA.—A further postponement of the report of the Sirois Commission until mid-October poses a nice point in electoral strategy before the Liberal chiefs at Ottawa.

There are many influential Liberals who believe that the Government should not go to the country until the report is received; if possible, not until a conference with the provincial governments has been held. Then the Government could appeal to the country for a mandate to carry out the recommendations of the Commission.

Other and more numerous Liberal strategists are strongly opposed to a delay in the election for this reason. They argue that the report is bound to run counter to provincial rights and will, therefore, stir the Hepburn and Duplessis Governments into active revolt. They think the report will demonstrate the disunity, rather than the unity, of the country.

Their advice is to appeal to the country for a mandate to deal with national problems in the light of the report, when it is made; to ask, as it were, for a blank cheque to carry out the findings of the Commission.

# *Abitibi Affairs Wait on Courts*

From Our Own Correspondent

MONTREAL. — Further action on the part of the Symington Committee toward a judicial sale of the Abitibi property for the benefit of the bondholders, awaits the reopening of the Ontario Courts next month.

At present the Committee has on deposit over $30 millions of the total bond issue of $48 millions. A number of holders have signified their intention of lining up with the Committee and will deposit their bonds later on.

# Inco Reports Lower Profit

## Earns 53 Cents in Second Quarter Against 62 Cents in First

Net profit of $8.2 millions, equivalent to 53 cents per share on the common stock after allowing for preferred dividend, is reported for the second quarter of 1939 in the six months statement of the International Nickel Co. of Canada, Ltd.

This compares with a net profit equal to 62 cents per share for the first quarter of the year, and to 66 and 42 cents for the first two quarters of 1938.

Net profit for the first six months of 1939 was $17,773,438 compared with $16,732,251 for the first half of 1938, or $1.15 per share as against $1.08 a year ago.

Balance sheet June 30 shows current assets at $80,563,936 including $39,215,228 in cash. These figures compare with current assets of $79,384,984 including $40,422,819 in cash, Dec. 31, 1938.

**Television Market**

Television offers a major new outlet for nickel, Robert C. Stanley, president, states in his letter to shareholders. Television, he points out, is dependent upon the cathode-ray tube of which the internal metal parts are largely made of pure rolled nickel and alloys containing nickel. Associated with the cathode tube in receiving sets are several groups of radio tubes in which the same metals are used.

A television receiving set contains from 18 to 36 of these supplementary tubes, as compared with the 4 to 16 tubes used in a modern wireless set for sound reception only. The transmitting equipment also uses nickel and its alloys.

"Thus," Mr. Stanley declares, "should television duplicate the history of wireless in its distribution of receiving sets, the annual consumption of nickel in this industry will automatically increase."

Production, recently affected by the settlement in the Frood mine, closing some highly productive stopes, has been made up by increasing tonnage from the Frood open pit and slightly higher production from other Inco mines.

Construction of the new surface plant at the Garson mine is proceeding on schedule, with the all-steel headframe now in course of erection, together with hoist and compressor house. There will also be shop buildings and change house to include office and lecture room.

The programme is unique in that the permanent mine buildings and equipment will be utilized in shaft sinking, eliminating the temporary structures usually erected. Actual sinking of the shaft will start about Oct. 1, to an initial depth of 2,240 feet.

**Income and Surplus Account**
**Three Months Ended**

| | June 30 1939 | Mar. 31 1939 |
|---|---|---|
| Earns. from opers. .. | 12,998,416 | 14,429,465 |
| Less: Adm. & gen. exp. ........ | 451,751 | 427,738 |
| Net oper. profit .... | 12,546,665 | 14,001,727 |
| Add: Other income . | 135,886 | 98,570 |
| | 12,682,551 | 14,100,297 |
| Less: Depr. & depl. | 1,820,238 | 1,861,016 |
| Inc. & fran. taxes | 2,177,204 | 2,260,041 |
| Retire. syst. & misc. | 458,971 | 431,940 |
| Net profit ......... | 8,226,138 | 9,547,300 |
| Less: Pref. divds. .. | 483,475 | 483,475 |
| Com. divds. ..... | 7,289,084 | 7,289,084 |
| Surp. for period ... | 453,579 | 1,774,741 |
| Add: Prev. surp. ... | 74,034,637 | 72,259,896 |
| Surp. forward ...... | 74,488,216 | 74,034,637 |
| Earns. per Share and Divd. Record: | | |
| Com.: Earned .... | $0.53 | $0.62 |
| Paid ........... | 0.50 | 0.50 |

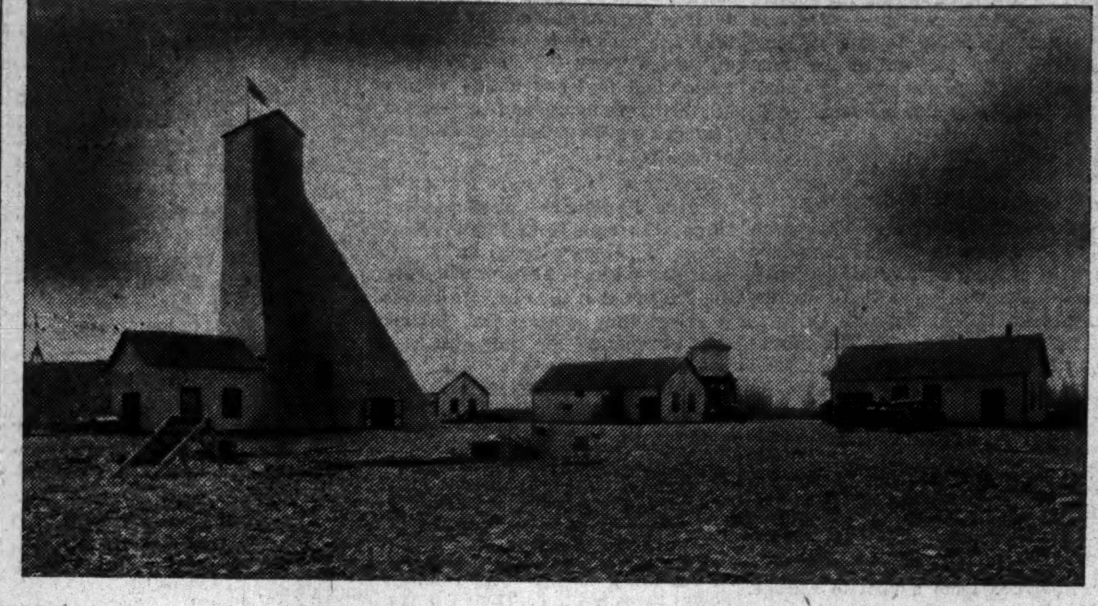
**Income and Surplus Account**
**Six Months Ended June 30**

| | 1939 $ | 1938 $ |
|---|---|---|
| Earns. from opers. . | 27,427,882 | 25,471,753 |
| Adm. & gen. exps. | 879,489 | 832,488 |
| Net oper. profit .... | 26,548,393 | 24,639,265 |
| Add: Other income | 234,455 | 314,095 |
| | 26,782,848 | 24,953,360 |
| Less: Depr. & depl. | 3,681,254 | 3,458,411 |
| Inc. & fran. taxes | 4,437,245 | 3,903,293 |
| Retire. sys. & misc. | 890,911 | 859,405 |
| Net profit ......... | 17,773,438 | 16,732,251 |
| Less: Pref. divds. .. | 966,949 | 966,949 |
| Common divds. | 14,578,169 | 14,578,169 |
| Surplus ........... | 2,228,320 | 1,187,133 |
| Add: Prev. surp. .. | 72,259,896 | 70,950,662 |
| Surp. forward ...... | 74,488,216 | 72,137,795 |
| Earns. per Share and Divd. Record: | | |
| Common: Earned | $1.15 | $1.08 |
| Paid ........... | 0.50 | 0.50 |

# Montreal Broker Loans Hit Low Point July 31

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange as at July 31 registered a new all-time low of $9.8 millions, a decrease of $355,811 from the end of June. At the end of July, 1938, collateral borrowings of member firms amounted to $16.2 millions.



***TO GET MILL***

This neat-looking surface plant is located at the property of Aunor Gold Mines, Noranda subsidiary, in southern Porcupine between Buffalo Ankerite and Delnite. Construction of a 300-ton mill is expected to get under way shortly following announcement that plans are being drawn up. Production is anticipated early in 1940. Nearly 500 ft. of high grade ore has been opened up at the 1,000-ft. level recently.

## Highlights

**Investor interest** in companies concerned with erection of industrial buildings and similar structures, and supply of materials, has been quickened by upturn in factory construction.
*Industrial Building—p. 9.*

* * *

**Problems surrounding** the marketing of iron ore in Canada are weighed in the light of the current effort to develop the ore deposits near Steep Rock, Ont.
*Canada's Iron Ore—p. 15.*

* * *

**While some** spottiness persists, prevailing tone of Canadian business is one of improvement and, with certain reservations, the outlook holds prospect of further betterment.
*Canada's Business—p. 9.*

* * *

**Lack of investor** confidence, and absence of any major or optimistic development, have made current interest in the newsprint industry somewhat lethargic. Current situation and outlook are appraised in
*Interest in Newsprint—p. 5.*

* * *

**Asset to travellers** in all parts of Canada has been created by progress made in official marking and restoration of historic sites, says a feature article on the regular travel page.
*Historic Sites—p. 11.*

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General Index on p. 2.

# Ottawa Govt. Revenue Down

## Disbursements in First Four Months Are Up $2.8 Millions

Revenues of the Dominion Government continue at a lower level than last year, July receipts being $3.5 millions lower than in the same month of 1938. This brings the cumulative decline in revenues for the first four months of the current fiscal year to $15.8 millions.

All revenue classifications, with the exception of excise duty and post office, recorded a decrease in both July and the four months ended July 31. However, excise and income taxes were largely responsible for the decline.

Disbursements in July were lower than in the same month a year ago. Ordinary expenditures were down $1.7 million. Provision for Canadian National Railways deficit was $24.9 millions less due to the larger provision made earlier in the year.

For the first four months of the year disbursements show an increase of $2.8 millions to $184.6 millions. This is due to increases in ordinary, capital and relief expenditures. Cumulative provision for the C.N.R. deficit for the four-month period is $3.7 millions lower.

**Relief Costs Rise**

Direct and drought area relief are $1.8 million lower, but expenditures on relief works show an increase of $3.7 millions. Thus, the total relief bill is $1.9 million higher than in the first four months of the 1938-39 year.

Due to the smaller amount loaned to the C.N.R., loans and investments in the four months ended July 31 show a substantial drop to $14 millions. This compares with $33 millions in the same period last year.

**Revenues and Expenditures**
**Month of July**

| Receipts: | 1939 $000's | 1938 $000's | Change $000's |
|---|---|---|---|
| Customs duty ...... | 6,088 | 6,626 | — 538 |
| Excise duty ....... | 4,827 | 4,818 | + 9 |
| Excise, sales taxes . | 13,233 | 15,132 | —1,899 |
| Income taxes ...... | 3,856 | 4,693 | — 837 |
| Post office ........ | 2,800 | 2,601 | + 199 |
| Sundry ............ | 2,190 | 2,676 | — 486 |
| Special ............ | 18 | 41 | — 23 |
| Total ............ | 33,012 | 36,587 | — 3,575 |
| **Disbursements:** | | | |
| Ordinary ......... | 41,970 | 43,707 | — 1,737 |
| Capital ........... | 1,426 | 451 | + 975 |
| Relief ............ | 2,998 | 3,899 | — 901 |
| C.N.R. deficit ..... | 10,000 | 34,964 | —24,964 |
| Other govt. enterprises .. | 64 | 679 | — 615 |
| Total ........... | 56,458 | 83,700 | —27,242 |

**Four Months Ended July 31**

| Receipts: | 1939 $000's | 1938 $000's | Change $000's |
|---|---|---|---|
| Customs duty .... | 26,184 | 26,801 | —617 |
| Excise duty ...... | 18,024 | 17,833 | +191 |
| Excise, sales taxes | 42,619 | 49,548 | —6,929 |
| Income tax ....... | 97,566 | 106,084 | —8,518 |
| Post office ....... | 10,705 | 10,203 | +502 |
| Sundry ........... | 5,118 | 5,361 | —243 |
| Special ........... | 40 | 275 | —235 |
| Total ............ | 200,256 | 216,105 | —15,846 |
| **Disbursements:** | | | |
| Ordinary ......... | 132,912 | 130,868 | +2,044 |
| Capital ........... | 3,891 | 774 | +3,117 |
| Relief ............ | 9,054 | 7,137 | +1,917 |
| C.N.R. deficit .... | 38,250 | 41,964 | —3,714 |
| Other govt. enterprises .... | 442 | 938 | —496 |
| Write-offs ....... | .... | 133 | —133 |
| Total ............ | 184,649 | 181,814 | +2,835 |

# *Break Seen Imminent Between King, Bracken*

## Series of Incidents Foreshadows Revolt in Western Politics

From Our Own Correspondent

WINNIPEG.—Signs that cleavage is imminent between Premier John Bracken of Manitoba and Prime Minister Mackenzie King's Government are seen here in a series of incidents capped by refusal of Mr. Bracken to attend the big Liberal party love-feast at Toronto on Aug. 8. Manitoba was represented instead by Hon. W. J. Major, Attorney-General.

Though Mr. Bracken was elected as a Progressive originally, back in 1922, he now leads a Liberal-Progressive Government. Before the last Dominion election he was listed among the eight "Liberal" premiers then in office in the provinces. But a parting of the ways between Mr. King and Mr. Bracken seems imminent, with incalculable consequences in the play of political forces in the West.

In 1935 Mr. Bracken supported Mr. King chiefly because of the low tariff and freer trade planks in the Liberal chieftain's platform. But four years later, Mr. Bracken's position reveals sharp criticism of the manner in which those planks were implemented.

**Powerful Lobby**

Mr. Bracken is chairman of the western committee on markets and agricultural rehabilitation, which cuts across political lines and extends through influential circles in three provinces. As such, he heads what may become the most powerful lobby for western rights since the West knocked at the door of Parliament with the Progressive revolt.

Latest strategy of the western markets committee is Mr. Bracken's proposal to dispatch a trade mission to Europe to sell western wheat. This is the most menacing gesture toward Ottawa yet devised by the committee's advisers.

When Mr. Bracken proposed to transact a $300,000 deal on virtually a barter basis—Manitoba farm products for German electrical equipment—it brought snorts of protest from left wing urban circles and a few patriotic organizations. But it brought cheers from farm groups. When Mr. Euler virtually vetoed the plan, Mr. Bracken bluntly announced it would go ahead anyway, even though he could not get as good a deal within the terms of the German-Canadian trade treaty as he had hoped.

**Wants New Markets**

So Mr. Bracken is armed with an illustration to support the contention that a little more energy at Ottawa might open up Europe's markets for western products.

On the side of agricultural rehabilitation, the western committee headed by Mr. Bracken has been the most severe critic of Hon. J. G. Gardiner's farm assistance programme, though at the present time the members are adopting a wait-and-see attitude. If the programme does not measure up in the eyes of the western farmer, the committee will open fire on it, taking up where it left off its battle for an 80-cent minimum price.

Significant feature of the western markets committee was that at its formation last year, although two of the three prairie Governments were labelled Liberal, organization went ahead without reference of any kind to Hon. J. G. Gardiner, Mr. King's western farm minister. While the hand of the Alberta Government was seen in that at the time, it is now accepted that Mr. Bracken was the moving spirit in ignoring Mr. Gardiner.

Looking back over Mr. Bracken's remarkable record of 17 years as head of Manitoba's Government, through lean years and fat years, while premiers were toppling elsewhere, the significant fact emerges that he has no hidebound party affiliations and that he possesses a close understanding of his electorate. His alliance with the provincial Liberals came in 1932 under circumstances that suggest that Prime Minister Bennett had as much to do with it as anyone.

Mr. Bennett refused to save Manitoba's savings office when a run developed, though he guaranteed the chartered banks against loss through the provincial institution.

**Liberal Alliance**

Mr. Bracken's reply was to come out for union government, sign up the Liberals who were also anxious to battle Mr. Bennett. The Liberal-Progressive fusion won the provincial election handily, setting Mr. Bennett's lientenants in Manitoba so far back on their heels that they did not recover for years.

That made Mr. Bracken a full-fledged member of the Liberal campaign forces in 1935 federal election. But with another federal election approaching, the Manitoba premier is becoming the major question mark in the West.

No complete break with Mr. King is anticipated, but western Liberal members seeking re-election, who see the direction of the wind, may swing leftward.

# *Moore Corp. Net Ahead of 1938*

Business and profits of Moore Corp. for the first six months of 1939 were "well in advance of those for the first half of 1938," The Financial Post is informed. Current business of the corporation is understood to be maintaining this rate of progress.

Last year Moore Corp. reported total shipments 8.3% below 1937 level. Net profits were equal to $2.70 a share on the common, after preferred dividends, as compared with $3.33 a share for 1937. This is after allowing for the merger with F. N. Burt Co. completed at the end of 1938.

Directors met recently on the 80th birthday of S. J. Moore, founder of the company and its chairman, to declare regular quarterly dividends on the preference and common shares.

# Hunt's Sales Ease During Half Year

## Company Is Opening Nine New Stores in Near Future

Sales of Hunt's Ltd. for the six months ended June 30 were approximately 5% lower than in the same period of the preceding year, it is officially stated. Profits, however, did not suffer to the same degree and showed only a slight decrease.

The company's new store at Woodbine and Danforth, Toronto, is said to be operating satisfactorily and the company is opening nine additional stores of the same type in the near future.

Stock option agreement with Frank F. Banting, former vice-president and assistant general manager, has been terminated. Mr. Banting is now associated with the company only as a director.

# *King Reluctant to Lose Dunning Name in Election*

From Our Own Correspondent

OTTAWA.—Conflict between the public announcements issued last week by Premier Mackenzie King and Hon. Charles A. Dunning, with respect to Mr. Dunning's future, has been the subject of much comment at Ottawa.

Mr. King's statement left the definite impression that Mr. Dunning would not resign but would take as long a holiday as might be necessary to recover his health and would then resume his work as minister of finance.

Mr. Dunning's statement, 24 hours later, stated that he had written to his constituency in Prince Edward Island to say that he would not be a candidate in the general election; that he was leaving Canada with the single purpose in view of getting well and that he had no future plans.

The inside story, it is learned, is that Mr. King strove very hard to persuade Mr. Dunning not to resign. He did succeed in having Mr. Dunning's resignation made indefinite, to be acted upon when convenient to Mr. King. But Mr. Dunning made it abundantly clear to his chief that he would not stand for re-election nor take any part in the campaign, should the election take place this fall. He will not be in the next Parliament.

It seems that the law requires that there be a minister of a department, before an acting minister can be appointed. If Mr. Dunning had obtained his wish and had his resignation been accepted forthwith, Mr. King would not have been able to appoint Hon. J. L. Ilsley, acting minister. He would have had to appoint a new minister of finance.

This would have been most embarrassing and therefore Mr. Dunning agreed to let the resignation stand until a time convenient to Mr. King. In doing so, however, he did not intend to create the impression that he was going to continue in public life—an impression clearly left by Mr. King in his statement.

**Window Dressing**

It is quite apparent that Mr. King desires to retain Mr. Dunning in the Cabinet on any terms. He would like, if he can do no better, to use Mr. Dunning's name as window dressing for the campaign. After the election, if his government is returned, he would be able to fill the portfolio without embarrassment.

But the mere idea of being used as window dressing, it is learned, is anathema to Mr. Dunning and unless able to pull his weight, he will never allow his name to stand during a general election.

# C. L. Burton Urges Board of Migration

## Merchant Executive Sees Potential Flow of Job-creating Industries as Great Opportunity For Canada—Should Be Stimulated

Present world conditions present Canada with an unprecedented opportunity for population growth and industrial development. So C. L. Burton, leading Canadian merchant and business executive, declared to The Financial Post this week on his return from an overseas trip. Canada, he says, could add 10 millions to its population in the next decade.

C. L. BURTON

Mr. Burton, who is president of the Robert Simpson Co., endorses the views expressed to The Financial Post last week by Sir Edward Beatty, respecting the opportunity now afforded to obtain new job-creating industries for Canada. He goes farther and urges the administration of the right type of immigrants to give Canada the population growth so urgently required to settle long-standing economic and national problems.

Mr. Burton suggests appointment of a non-political commission to study and manage a new migration flow to Canada.

**Text of Statement**

In his statement to The Financial Post, Mr. Burton said:

"Canada can get a million new citizens a year from Europe if we want them. We are able today to hand-pick the Continent for men and women with capital, initiative, technical skill and good education. We do not need to accept paupers or political disturbers.

"The opportunity that is presented to Canada today is such as we have never had before and probably will never have again. We can, with little effort and little risk, make Canada the country of our earlier ambitions, a country in which our grandchildren will find opportunity greater than we can afford our sons today.

"To take advantage of this chance to expand our population and to bring new wealth to Canada, we should set up under the Government an independent commission of volunteer citizens to study the opportunity and report upon it; to outline a programme for the transfer of people from the old world to the new and to supervise the carrying out of the programme; and to act in an advisory capacity to review the present laws, regulations and administration.

"Under such a plan we could increase our population by five million in the next five years; by 10 million in the next decade. Many of our basic national problems would disappear because most of them are problems arising out of our costly effort to manage so large a national estate with such a small handful of people as constitute our population today.

**Ideal Citizens**

"The groups of European people who would like to establish themselves in the more peaceful New World include people who would make ideal citizens for Canada.

"There are industrialists with ideas, capital and ability who are anxious to establish plants here for domestic and export trade and to give employment to Canadians.

"There are wealthy individuals wanting to settle down on Canadian estates and farms.

"There are farmers with capital; mechanics with specialized skill; professional men with recognized standing in music, art, medicine, education, etc.

"Canada should invite them to come. We should immediately embark upon a programme of getting these people to migrate to Canada and to settle down here as Canadians.

**Character of Migrants**

"There are many mistaken impressions as to the character of the new citizens available for Canada. One impression is that they are largely poor Jewish refugees. Many of them are Jews—and very fine, intellectual, cultured Jews in whom any country might properly take pride; not people from the ghettos and slums of eastern Europe but people from good homes and with a splendid cultural background.

"Most of them, however, are people who are classified as non-Aryan under the Nazi and Fascist laws only because of previous intermarriages in their families between Jews and Christians.

"While a great many of our finest citizens have interested themselves in the 'refugee' problem on humanitarian and moral grounds, I feel that there are ample grounds for looking at this question from the hard-headed business viewpoint — from the viewpoint of the long-term interests of Canada.

**"Beware of Pity"**

"In fact, the greatest danger is the prevalence of a 'sloppy sentimentality' about the whole matter. Taking as our text the title of Stephan Zweig's newest book, we should 'Beware of Pity.'

"We should think in terms of the development of Canada. And on this basis the opportunity is a magnificent one, not to be rejected summarily. In the next decade we can see this flow of Europe's finest citizens attain great proportions or we can see it pass us by. It is for us to determine which it is to be.

"Bringing 'Europe's finest' here need not involve Canada in large new capital expenditures. My own observations overseas made it clear to me that a large proportion of the migrants have adequate capital to establish and support themselves as well as those who would be dependent upon them (domestic servants, farmhands, etc.). And there are millions of dollars available from sources outside of Canada to provide others with a 'stake' that will ensure against their becoming public charges.

"We need not bring in paupers. We need not bring in anyone who will not at once become a self-supporting producer in Canada.

**Tragic Exploitation**

"A tragic feature of the outward movement of Europeans from the continent is that many of them are already being exploited. More than one immigration or settlement company has been set up whose sole purpose is to get hold of as large a share as possible of the migrants' money in return for the minimum service to them.

"Operations of such parasite organizations are likely to have an injurious effect, not only upon the victims of their greed, but upon Canada itself, since some of these groups have been set up (although without government backing or authority) to move immigrants to this country.

"It should be emphasized that this is not merely a question of the flight of social, religious, racial or political refugees from Europe. It is a flight from Europe, but it is in no small measure a flight of people who do not have to move at all but who have made up their minds that the Old World is going to be a war-torn world for a generation; a world in which they do not care to bring up their children and risk the future of their families. They

(Continued on page 2, col. 6)

# Boston-Maine Airways May Extend to Moncton

From Our Own Correspondent

MONTREAL.—Boston-Maine Airways has petitioned the U. S. Civil Aeronautics Authority for permission to extend its lines from Bangor, Me., to Moncton, N.B.

The proposed extension would provide direct service between Boston and the Maritime Provinces. It would also tie Boston in with the new transatlantic air service as Pan-American Airways is using Shediac, N.B., an adjacent water base, as a port of call. The application also states it is expected Imperial Airways will make Moncton a terminal for its transatlantic service.

If the petition is approved, service will start when the Moncton airport is completed, probably in September.

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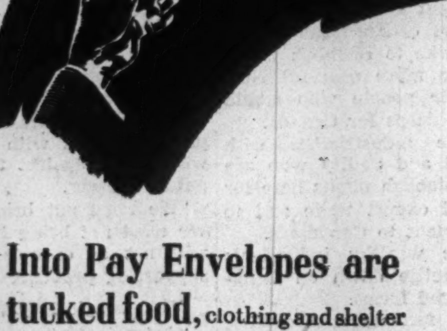

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# The Nation's Business

(Continued from page 1)

equivocally and fearlessly with the present-day problems.

No leader is worthy of being entrusted with national party leadership who does not understand and hold to the high principles enunciated by Mr. King during his speech. But no leader can give wise and practical direction to the nation's business who does not at the same time apply these principles in a positive and constructive manner.

* * *

### Businesslike View of Industrial Migration

MIGRATION of new European industries to Canada should be looked at from a "hard-headed business viewpoint," says C. L. Burton, president, Robert Simpson Co.

In an interview with The Financial Post he says:

> "While a great many of our finest citizens have interested themselves in the 'refugee' problem on humanitarian and moral grounds, I feel there is ample reason for looking at this question from the hard-headed business viewpoint—from the viewpoint of the long-term interests of Canada."

Returned from a visit to Europe, Mr. Burton confirms the view expressed by Sir Edward Beatty in last week's Post that the present flight of industrial capital from Europe presents a really great opportunity for Canadian expansion.

Mr. Burton warns against thinking of this migration in terms of sloppy sentimentality. Too much discussion of European migration conjures the idea of Canada as a dumping ground for political refugees. The salient fact is that we are now witnessing the beginning of a mass movement of experienced industrialists from war-torn Europe toward the New World. There are said to be 10 migrating industries establishing in Great Britain for every one that now seeks entry to Canada.

The businesslike approach would be for Canada to name a qualified industrial commission to review the whole situation in Europe and invite the best of these industries to come in. It is not good enough to merely wait for them to come.

* * *

### Experience Charts Youth Programme

INTERVIEWED last week on his 80th birthday, S. J. Moore, chairman of the board of the Bank of Nova Scotia and chairman of Moore Corporation, expressed his conviction (born of 70 years hard and fruitful labor) that Canada's future was full of hope and promise for young men and women. Mr. Moore, who started work at age 12 as a printer's devil in Barrie, emphasized the fact that this country nourished a race descended "from the sinews of pioneers" and that our native virtues of thrift, courage and enterprise presaged a growth "such as we have never dreamed."

Similar convictions are expressed by Jack Hammell — another Canadian who rose from small beginnings. Mr. Hammell also looks past immediate discouragements toward the Canada that is to be. He thinks it about time we stopped "sitting idly by waiting for things to happen and the road made easier" before accepting immediate responsibilities.

Mr. Hammell's comments about Canadian youth are especially timely. He says:

> "Young people of today have the wrong slant on things when they take the view 'the country owes me a living.' The country owes them nothing. Their's is the opportunity if they have the courage to face it and are willing to do a hard day's work. The trouble with our youth is that they all want soft-collar jobs and things made easy for them. They also need a strong moral code, a belief in God; only an idiot does not.
>
> "Never attempt to cross up your own conscience; you are only crossing up yourself if you do. Know your job better than the other fellow, accept responsibilities and learn to make a decision. Businessmen today are constantly on the lookout for young men with moral courage enough to arrive at their own conclusions, and stand by them."

* * *

FEW people dispute the responsibility which the community has toward the education and training of youth—especially the responsibility fed by years of depression and disillusionment. Where youth has lost the vision and courage to see the good things which lie ahead for Canada, much can—and should—be done to rehabilitate and recondition them—start them off on the right foot once more.

What is needed is a youth programme which will equip Canadian youth to achieve the vision of Canada's future which these two eminent, hard-working Canadians see so clearly. Such a programme would upset from the first any false notions that this country owes youth a living in attainment of that vision.

* * *

### Mr. Howe Defends National Harbors Board

IN VIGOROUS and convincing style, Hon. C. D. Howe, Minister of Transport, has replied to a memorandum of the Halifax Board of Trade which sought to regain "local control" for the Port of Halifax. The reply contains effective argument in favor of a competent National Harbors Board administration.

For three years now, Canadian ports have been managed by a central organization, the National Harbors Board. Previously each port had its local commission. On the whole, the record of the National Harbors Board has been excellent.

The Halifax Board of Trade does not like this "remote control." It claims the new system is dooming Halifax shipping business to decline and decay.

Mr. Howe revealed that the system of central control is working well at Halifax. In 1937, under the National Harbors Board, the Port of Halifax had the best year in its history. The decline in business in 1938 was not disproportionate to that in Canadian trade and in Canadian ports as a whole. In the current year the showing of Halifax has been better than other Canadian Atlantic and St. Lawrence ports. Canadian ports are not losing business to U. S. ports. Rather, the proportion of Canadian overseas trade handled at Canadian ports is increasing.

One thing Canada does not want is a return to the pork-barrel days of local control for national harbors. The former system resulted in mutually destructive competition between government-owned ports by the cutting of charges, discriminations as between port users and extravagant capital expenditures.

Management of the ports has been greatly improved by the National Harbors Board. Revenues have been increased and expenses have been cut despite a larger volume of traffic. Users and taxpayers have reason to be satisfied with the way the present plan is operating.

## *Commission Now Gathering Facts on Alaska Road Plan*

From Our Own Correspondent

VANCOUVER.—It is still conjectural whether the Alaska Highway will ever be built. But the authorities concerned are evidently determined to arm themselves with the necessary facts.

During the regime of the late Premier S. F. Tolmie, an unofficial committee composed of Canadians and Americans toured a section of the proposed route to a point beyond Hazelton in 1932. It returned convinced that the road was feasible, and subsequent surveys by engineers resulted in reports placing the probable cost at around $22 millions.

Selection of a route and the method of financing have been the chief problems to be settled, and a new international commission is now gathering data on the coast.

Three prospective routes have been examined. British Columbia business interests, while refusing to commit themselves on the general proposition of whether the highway is necessary or not, are urging that the road be as near the coast as possible from the standpoint of costs, tourist travel and defense.

**Financing Still Obstacle**

Principal obstacle is likely to be that of financing. Most of the promotion of the highway in recent years has been the personal business of Premier T. D. Pattullo. But the Dominion Government, while interested, has refused to commit itself to any part in the financing of the road. Premier Pattullo admits that B. C. lacks the required funds.

Any deal for American money in the highway would be criticized if it was conditional on United States control over the uses to which the road would be put. Yet it seems obvious that if the road is to be built most of the money must come from across the border.

**B. C. "Another Belgium"?**

Critics of the project charge that the highway would be primarily for defense purposes and that in the event of a war between United States and Japan use of the road to Alaska might convert B. C. into "another Belgium."

However, this contention is usually laughed off by those who have made a serious study of the scheme. The fact that cannot be so easily disposed of is that tourists alone are not likely to make the road profitable for generations in as much as the road will be open to traffic only about six months of the year, if that much, and maintainance costs will be heavy.

## Other People's Views . . . . . .

**Victories Yet To Be Won**
Ottawa Journal

"Charlie" Dunning had little to help him; neither friends, nor money, nor formal education. But he had his own willing hands, and a stout heart, and courage and ambition, and these, with the talents that God gave him, carried him to victory.

There are still victories in our life for these qualities; still rich prizes for the sharp swords of courage and brains and industry. To hold otherwise is to hold against the lesson of all history.

**Path of Least Resistance**
The Globe & Mail, Toronto

Within a few months the two main political parties of Canada will appeal to the voters on a platform of letting time cure the Canadian railway problem.

Leaving it to time has already cost the Dominion over one billion dollars.

Every cent that the Government has collected in sales tax, match taxes, stamp taxes, motor-car taxes, tobacco and cigarette, beer and playing card taxes since 1923 has been offset in the public accounts by the deficits of the railways.

In other words, without the railways we would be in exactly the same financial position if the taxes mentioned had never been collected.

Every day the Canadian National Railway deficits reach into every Canadian's pocket—and yet neither one of the major political parties has anything better to suggest as a remedy than to let time take its course.

Canada slipped by degrees into the railway deficit morass. Political parties, business men, financial leaders were alike responsible for the overbuilding. But instead of recognizing the situation and taking steps to get out of difficulties, the political parties feel that any plan drastic enough to meet the realities of the situation would disturb too many votes.

Faced with an election, the citizen who wants to register a vote for action on the railway problem is virtually disfranchised, because Liberals and Conservatives alike have chosen the path of least resistance.

**Energy and Vision Won**
Collingwood Enterprise-Bulletin

Editor W. Rupert Davies of the Kingston Whig-Standard recently referred to the great organization built up by the energy, determination and vision of one man, Col. John Bayne Maclean, who, yet, after half a century, is the head of the four-million-dollar concern, The MacLean Publishing Company. Starting with little capital, the publication of one trade magazine, the MacLean Company now publishes many with aggregate annual circulations running up into the millions.

Mr. Davies says that in this land of our there are yet even such opportunities which if taken advantage of, and, as he says, are accompanied by three things, work, more work, and yet more work, are certain of success. Had Mr. Davies looked into a mirror he would have seen one who founded his activities on a basis similar to that of Col. Maclean. Coming to Canada (as the writer of this page had the pleasure and privilege of saying through The Financial Post a few weeks ago) forty odd years ago, with little but a determination to make his life useful to himself and to others, Mr. Davies has achieved deserved success. Learning printing in Brantford he launched into newspaper work on his own account through the Herald of the village of Thamesville. From there he transferred to the Renfrew Mercury, thence to the Kingston Whig, which, shortly after, was combined with the Standard and is now with the Peterborough Examiner, acquired in 1935, his property. During the years Mr. Davies followed the principle and practice that work, more work, and yet more work was the key that unlocked the door to greater things.

With his progress, from time to time, W. R. was honored by his fellow newspapermen. He was president of the Canadian Weekly Newspapers Association and in May last, after several years as a member of the executive of the Canadian Daily Newspaper Association and vice-president of the Canada Press, was unanimously elected to the presidency of the last, the news gathering agency of the Canadian daily newspapers.

**Inflation**
Regina Leader-Post

It is true that national finance and national currency may be handled better than the nations are handling them today but there still must be a large question mark in front of the idea that by printing millions of dollars on paper the actual wealth of the country is being increased and that there will be more from all.

All experience suggests that inflation is like a man getting on a wild spree: he thinks he is having a good time when under the influence, but faces a terrible headache when he has to sober up.

**A Man With Sense**
J. B., in Vancouver Province

Here at last is a man with common sense about the destiny of youth. He is Colonel Peacock, chief secretary of the Salvation Army for Canada. He says that there are still as great opportunities for youth today as were offered those of the earlier years and he thinks everything should be done to encourage them to settle down to do what is at hand to do.

This is much more human, natural and cheering than all these modern, mawkish howlings and lamentations about youth movements, the fate of youth, the neglect of youth and all other outpourings of sentimental tosh we are inflicted by.

All that is the matter with youth is that it wants handed to it on a silver platter what it took its fathers years of toil to attain. And another thing it wants and wants tremendously is that it shall not be sent out of the already overcrowded cities to make its way—far from movies, telephones, corner soda fountains and the chatter of its girl friends.

**Utopia Comes to Canada**
Stuart Shaw, in the American Mercury

The Alberta tragicomedy stands as a grim rebuke to demagogic crackpot economists on both sides of the U. S. A. border.

The Aberhart Government still hangs on to office despite a mounting tide of disillusion and resentment.

Thanks to its well-oiled machine it may even be re-elected.

But it can confidently be said that the much-advertised attempt to bring Utopia to the prairies has gone the way of the philosopher's stone and the elixir of life. Albertans, sadder and wiser, realize the truth of Macaulay's statement that "an acre in Middlesex is worth more than a principality in Utopia."

**The Government and Unity**
Ottawa Journal

The present Dominion Government has shown itself incapable of getting on with the provinces, of securing harmony, or decent co-operation. In what should be one of the supreme tasks of statesmanship in this country—the task of national unity—it has failed constantly and dismally; has produced a mosaic of confused, bitter and Balkanized politics such as Canada has not experienced in a generation.

If a Dominion election comes, as now seems likely, this should be a commanding issue. Canada simply cannot afford a Dominion Government which, whether through wrongheadedness or weakness, cannot secure co-operation from the provinces.

**The Biggest Bluff in History**
John Bull

Don't be fooled by the biggest game of bluff in history.

All the outward signs will continue to point to war.

But this week we can show you inner and real signs that war, unwanted by any Great Power, is highly unlikely.

Firstly, Herr Hitler is suffering from the affliction of the Pharaohs.

Reports from his harvesting centres are bad. Half Germany has been deluged by heavy rains for weeks; the rest scorched by overmuch sunlight.

Those Germans who know the crop situation are saying: "There can be no war."

Secondly, Italy's great crop expectations will not be fulfilled. Though the yield will be fair, the quality of the wheat will be bad.

Improbable, therefore, that the Duce will be able to give much of the staff of life to his Axis partner.

Next, we can state that three extra liners for "Strength through Joy" cruises have been commissioned.

If war were likely, German shipping would be kept in port—as we know by what happened last September.

Moreover, the German army is largely untrained, is gravely short of officers.

And there's discord in the Nazi Government.

Goering and Himmler are fighting Dr. Goebbels, who is held to be a warmaker and is becoming more distrusted and feared by the people with every day that passes.

Hitler may soon have to choose between Goebbels and Goebbels' rivals—and no general goes to war with divided ranks.

Finally, Berlin predicts that Anglo-German trade talks will be resumed in the early autumn.

**Plan Can Wait**
Calgary Herald

The premier of Saskatchewan has stated on more than one occasion that his government is not at present interested in acquiring further territory for the province in the north. In Alberta the legislature has given approval to a proposal to extend the province to the Arctic.

In order to develop the great northern reaches, vast sums of money would be required. It costs a lot of money to build roads, schools, courthouses, establish administration buildings and facilities, and to furnish services such as are required by modern civilization. Premier Patterson declares his government has enough on its hands at present without taking on more.

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## Migration Board Urged by Burton

(Continued from page 1)

would like to settle overseas where political systems are more stable, where national hates do not exist and where opportunity is on a more expansive scale.

**Constructive Development**

"The present movement of European industries to Canada is one of the most constructive developments in our history. It promises to give new horizons to our export trade because the continental touch will give our manufactured goods an appeal that will enable them to cross tariff barriers into any market in the world.

"The movement has only started and so far it has proceeded without any direct effort to promote it, and even against the heavy current of governmental indifference.

"We should not be merely waiting for industries to come here to create jobs for our citizens. We should be going out to bring them in. Other countries are getting industries that might well come to Canada. For every new European industry migrating to this country ten are being established in Great Britain. And yet Britain is only slightly less exposed to the risks of war than the continent itself."

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## Utility Tax Move Is Watched

(Continued from page 1)

therefore followed with the keenest interest by the privately-owned utility operators.

**Reason for Agitation**

The proposal to tax Toronto utilities arises from the growing burden of taxes on private property. Since 1910 when the Ontario Hydro came into being, the per capita tax in Ontario has jumped from 87 cents to more than $16.50, while, in the same period, Quebec, which is served by taxable private utilities, shows an increase in per capita tax from $1.28 to $10.37.

Reporting on the move to tax publicly-owned utilities in the New York Herald-Tribune, Earl C. Sandmeyer says that under the direction of W. George Farley, assessment commissioner, the City of Toronto is now making a study concerning possible taxation of the public utility facilities with which it is served.

**Three Properties Involved**

The properties under study are those of the Toronto Transportation Commission, the Toronto Hydro-Electric System and the municipal waterworks.

According to a preliminary survey, if these properties were taxed on the same scale as private facilities, Toronto's assessment valuation would be increased about $40 millions.

Mr. Farley estimates that if the city's utility properties were to be taxed on a parity with private corporations, the Toronto Transportation Commission would pay on an assessment of about $15 millions; the Toronto Hydro Electric Commission would pay on an assessment of about $12 millions and the waterworks systems on an assessment of $12 millions.

**Revenue is "Lost"**

In a report prepared in 1935, Mr. Farley said the Toronto Street Railway in 1922, under private ownership, paid on an assessment of $5,510,886, whereas in 1935 the T.T.C. paid taxes on a land assessment of $2,431,836 plus an assessment of $97,200 for buildings it did not use in street car operations.

In 1922 the privately-owned Toronto and Niagara Power Co. paid on a total business and property assessment of $4,452,736, but its successor, the publicly-owned Toronto Hydro-Electric System, paid in 1935 on a total assessment of $1,059,180.

The 1935 assessment of land and buildings of waterworks property was $2,247,156, but Mr. Farley pointed out, "If this system were owned and operated by a private corporation the assessment would be at least $12,000,000."

**Reply of Utilities**

Answer of the Toronto utilities was recently crystallized in paid advertisements in Toronto newspapers by the Toronto Transportation Commission. The published statements stressed these points:

1. The utilities already pay some taxes, on land, and facilities not used in operation of the utility concerned, the total tax bill of the T. T. C. amounting last year to over $250,000 (Dominion, provincial and municipal).
2. Operating under obligation to maintain services at cost and avoid deficits, the only effective means of cutting expenses to meet an added tax burden would be drastic curtailment of service and/or slashing wage rates. (The advertisements did not say so, but the public control of Ontario utilities has exerted a political influence to bolster wages, and keep them above Quebec levels.)
3. In view of the operation-at-cost obligation, and the difficulty of curtailing service or cutting wages, the imposition of added taxes would force an increase in charges to consumers (in the case of the T. T. C., higher street car fares).

However, Ralph Day, Mayor of Toronto, and Dr. Fred J. Conboy, vice-chairman of the Board of Control, and some other members of the City Council are on record as favoring study, at least, of taxation of the three utilities.

**Watched in States**

This development is being followed with close interest not only in other parts of the Dominion but in the United States. Whether the tax movement gains much headway in Ontario, it is felt to be a factor in influencing the trend in the States. Last March the State of Oregon adopted legislation to regulate public utilities on a business-like basis, requiring publicly-owned systems to be taxed like private ones. Similar legislation is expected to be taken up in other states, including Washington, Nebraska and California.

The Tennessee Valley Authority, sponsored by the Federal Government, is studying ways and means of meeting agitation in Tennessee that the Authority make up for the loss of revenues now paid by the private companies which will be sold to the public on the 15th of this month.

## Staff Changes

The Bank of Nova Scotia announces the following staff appointments:

J. F. GILL to be manager at Windsor, N.S.

E. S. DIBB to be manager at Dalkeith, Ont.

J. C. SKUFFHAM to be accountant at Hull, Que.

## DIVIDEND NOTICES

### Gatineau Power Company

**Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares.**

Montreal, Canada, Aug. 3rd, 1939.

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred shares and $1.37 a share on the 5½% Cumulative Preferred shares of the Company payable October 1st, 1939, to shareholders of said classes of record at the close of business September 1st, 1939; also a quarterly dividend of Twenty cents ($.20) a share on the Common Shares of this Company outstanding at the close of business on September 1st, 1939, payable on September 30th, 1939, to shareholders of said class of record at the close of business September 1st, 1939. Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.

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# London Calling—By Atticus

## Leading Men of Various Countries Give Time and Effort to Rover Scouts — Sir Edward Beatty Has Wide Interests

LORD SOMERS

LONDON.—As the guest of Lord Somers, I recently spent a glorious summer's day in the Highlands. The occasion which took me to Scotland is one that has hardly received as much recognition in the national press as it deserved. It was the third World Rover Moot which brought together young men from almost every country in the world except Russia and the Axis Powers. Moot is a grand old English word signifying a gathering or "pow-wow."

To the uninitiated a Rover is a sort of prefect in the Boy Scout movement. He must be 18 or over and is regarded as a responsible member of society. The first World Moot was held in 1931 in Switzerland and the second in Sweden in 1935. The recent present one in Scotland was the largest yet with nearly 3,500 young men under canvas.

It was in 1936 that Lord Somers agreed to accept the arduous post of Deputy Chief Scout for Great Britain. No longer could the illustrious "B. P." carry the full strain, and he pleaded earnestly with the younger man to take on the task. At that time Lord Somers was 49, and his success as Governor of Victoria and Acting Governor-General of Australia naturally opened up the prospect of other important appointments.

He was, indeed, admirably suited to represent His Majesty in the outer Empire. He had commanded the 1st Life Guards, he had won the D.S.O. and M.C. in the war, and at the time of the Scout offer he was president of the M.C.C. When one adds to that his experience as Lord-Lieutenant, the background of New College, Oxford, and the fact that he had written a book, one had every right to say that here was a pro-consul of no mean calibre.

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### Rover Prince

Lunching in the tent with us was Prince Gustav of Sweden, who had come over as the head of his country's contingent. The last time I saw him was in Stockholm at the Opera. Now in shorts and a blue shirt, he was revelling in the open air and the warm Scottish sunshine.

It was on the occasion of his marriage in 1932 at Coburg to Princess Sibylle of Saxe-Coburg-Gotha (both bride and bridegroom were great-grandchildren of Queen Victoria) that members of the British Royal Family met those of the former Imperial German House for the first time after the war.

Prince Gustav is an alert, vital young man with a face which has little compromise between seriousness and a most engaging smile. In keeping with the democratic tendencies of his country and his family, he slept and ate with his detachment of Rovers (except at official functions) and was awakened at 6.30 like all the rest of them by the bagpipes wailing from the neighboring castle.

* * *

### From Distant Places

One word more and I shall leave the Moot. It was impressive and not a little moving to roam about the camp talking to young men from France, Hungary, Australia, India, Norway, Canada, Poland and even Siam, which is apparently called Thailand now.

The French, as usual mingling less easily than others, were carefully rehearsing a chorus to the notes of a guitar. A Rover Scout from Danzig talked earnestly of the troubles there and described how every Pole, young or old, was willing to die for his freedom. A black boy from Jamaica with an American inflection in his voice was explaining the mystery of Scottish music to an admiring group of Egyptians.

A half dozen Indians of differing castes were finding a common understanding with each other and their white colleagues. These young men will go back to their countries and help to light a candle in the encircling gloom.

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### The C. P. R. Chief

SIR EDWARD BEATTY

It was with pleasure as well as curiosity that I waited on the terrace at the House the other day for Sir Edward Beatty, who was coming for a chat. All normal men are fascinated with trains just as all normal boys want to be engine drivers. Therefore the man who has been head of the C. P. R. for 21 years takes on something of the aura of a demi-god.

His trains do not merely hop from town to suburb and suburb to town. Their route is from the Atlantic to the Pacific, across gorges and around mountains that would terrify Siegfried's dragon. And at rail end a C. P. R. ship will take you on to the Orient or the Atlantic according to your whim.

Sir Edward Beatty had famous predecessors such as Strathcona and van Horne. Yet although they accomplished wonders they had no greater obstacles to overcome than the man in charge today. Canadians are overserved with railroads as they are overgoverned by provincial parliaments. Every government at Ottawa knows that the problem must be settled, and no government will undertake the settling.

So Sir Edward continues to sit on the throne of the greatest railway empire in the world, an empire that is only lacking in one thing—enough subjects to go round.

* * *

For the encouragement of the young I must put on record that when Edward Beatty went to school in Toronto he was unruly in conduct and undistinguished in scholarship. Later on, however, at Toronto University, he came under the sobering influence of his fellow-students, Mackenzie King and Hamar Greenwood. They taught him that life was real and life was earnest. Then the trio separated—one to become Canadian Prime Minister, one to become Secretary of State for Ireland, and the other to become president of the C. P. R.

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### Wide Range of Interests

Sir Edward has been Chancellor of McGill University for 20 years. He is the head of the Boy Scouts in Canada. He is vice-president and trustee of the Royal Victoria Hospital and chairman of the Canadian National Committee of Mental Hygiene.

He is hon. vice-president of the National Council of Education, having altered his original attitude toward the desirability of learning. He is a director of the Bank of Montreal, of the Waldorf Astoria Hotel Co., of the Sun Life Assurance, and other companies. And all this, besides being the active head of the Canadian Pacific Railway. No wonder he never married. He had no time.

I found Sir Edward to be most agreeable company. Like Jack Point, he has discovered that there is humor in all things—in dictators and even in democratic governments. Sitting by the Thames, he was just wondering whether he would order an ocean liner or two while he is here or wait until prices come down a bit.

He spoke in the most enthusiastic terms about the Royal visit to Canada. We discussed Mr. Mackenzie King and Mr. R. B. Bennett. Then he said he had to go, and strolled away in the manner of one whose days are unplanned and whose appointments are few and far between.

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# Bracken Proposes Mission To Seek Markets for Grain

From Our Own Correspondent

WINNIPEG.—A quest for markets for western wheat as an alternative to continued federal subsidy of the western farm industry is proposed by Premier John Bracken, of Manitoba. He is attempting to organize a trade mission to Europe from the prairie provinces and from the commercial grain companies.

The primary aim of such a mission, according to Mr. Bracken, would be to investigate at first hand why western Canada has lost a market for about 80 million bushels of wheat annually in continental Europe. It would also try to discover whether Canadians can do anything about it, and to ascertain exactly the conditions which western export industry will have to meet.

"If our markets are gone," said Mr. Bracken, "we would have to recognize it, and that would mean cutting down part of our production."

The whole future of the West and the standards of living of the population of western Canada, Mr. Bracken believes, depends on solution of the problem of marketing the West's export surplus.

### Barter Markets

Mr. Bracken recently announced that he would ignore objections of the Winnipeg city council, and other organizations and proceed with a proposal to exchange Manitoba produce for $300,000 worth of German electrical equipment. This so-called barter scheme would adhere strictly to the terms of the German-Canadian trade treaty of 1936, he said.

What was virtually a test case of German trade was made recently by the Manitoba Government when it placed an order for $2,400 of German beer, through its liquor control commission. Reporting on this transaction, Mr. Bracken said German interests placed orders for $3,200 worth of Manitoba honey, using more exchange than the beer order created, and accepting a price one cent higher than that offered by other provinces.

"A section of our population," said Mr. Bracken, "charges us with being pro-German and unpatriotic in attempting to complete this deal. We are not pro-German, we are pro-markets. We would be glad to effect a similar plan with other countries."

### Situation Serious

The situation, he said, "is so serious that agriculturists are faced with two alternatives, restrict production or go bankrupt on a large scale."

Loss of markets and loss of prices are the two features of the situation that require action, in Mr. Bracken's view. "Two years ago we had 180,000,000 bushels of wheat and last year twice as much, but we sold it for $30 millions less. This year, in spite of the heat of recent weeks, we will have at least 50,000,000 bushels more than last year."

At the same time, the guarantees implemented by the federal government for western agriculture would cost the nation about $100 millions for the past two years. Only the outbreak of war in Europe or some other unforeseen event, would lift this burden.

"Within the past 10 years," said Mr. Bracken, "we have lost two fifths of our market on continental Europe. It was the biggest market we had and we must endeavor to get it back."

# Wilsil Ltd. Capital Stock Listed on Montreal Board

From Our Own Correspondent

MONTREAL.—Wilsil Ltd.'s capital stock has been called for trading on the Montreal Stock Exchange. The listing covers 135,700 issued shares.

Dividends have been paid on the stock since the middle of 1934. Current annual rate is $1 a share, being increased from 15 cents quarterly with the April 1, 1939, payment. Dividends on the previously-existing preferred stock were paid from 1929 to 1934.

# July Building Bolstered By Residential Increase

## Dwelling Projects Offset Declines in Other Fields

### CUMULATIVE HOLDS

Increased residential building in Ontario, Quebec and Saskatchewan in July more than offset declines in business, industrial and engineering construction. The continued gain in dwelling construction, amounting to 32% over July, 1938, was entirely responsible for the modest advance of 4.5% in the July grand total of new building activity.

Contributing factors in the previously reported slight gain in the grand total are shown in detailed figures issued by MacLean Building Reports. Industrial construction, which showed substantial gains in May and June and gave promise of forging ahead during the rest of the year, fell 5% below July last year. This cut the June-end cumulative gain of 43%, to 35% for seven months at the end of July.

### Seven-Month Total Up

However, the net upturn in factory building and a cumulative increase of 30% in residential building, are between them responsible for holding the seven-month total for all types of building about 4% above 1938. Figure for business building shows a negligible advance, and engineering construction is down 32% so far this year.

Engineering projects showed a decline of only 3% in July, comparing favorably with heavy decreases in earlier months of the year. The better showing came chiefly from increased highway work in Nova Scotia, Quebec and Ontario. The volume of general engineering projects fell to less than $100,000 compared with $3.3 millions in July, 1938.

### Business Building Drops

The drop in the July total of business building was accounted for mainly by marked declines in subtotals of contract awards for churches, public buildings and schools.

The further improvement in residential building was contributed by increased house construction in Ontario and Quebec, and a jump in the apartment house figure for Saskatchewan. The western figure is explained by the Hudson's Bay Co. $200,000 apartment house project in Regina.

# 115 Centres Offer Tax Reductions

## Remissions Available to Third of Urban Population

Approximately a third of the urban population of Canada is represented in the 115 communities qualified for the tax remissions on low cost houses under the National Housing Act (Part III), it is estimated by the Dominion department of finance.

Under the Act, the department may absorb taxes amounting to 58% over a three-year period on houses built for owner occupancy at a cost of not more than $4,000. To make the plan operative, local authorities must make available lots at a nominal price of $50 or less, though houses built on other lots can qualify for the tax remissions.

### Scope Increases

Since the last list of qualified communities was issued in May, 27 communities have passed qualifying by-laws and 52 others have indicated their intention to participate. Of the four largest cities, Winnipeg and Vancouver are participating but Montreal and Toronto have held off. To get the tax remissions, it is not necessary to use the financing provisions of the Housing Act, which are now operative in 330 centres.

The 27 additions to the qualified list since May are:

**Ontario**
Barrie
Belleville
Brantford
Fort Erie
New Liskeard
Niagara Falls
Petrolia
Prescott
Simcoe
Stratford
Thorold

**Quebec**
Arvida
Giffard
Huntingdon

**Manitoba**
Carman
Flin Flon
Neepawa
St. Vital

**British Columbia**
Alberni
Courtenay
Duncan
Kamloops

Vermilion, Alta.
Moose Jaw, Sask.
Dartmouth, N.S.
Campbelltown, N.B.
Westmorland cty., N.B.

# Quebec Farm Bureau Loans $26.5 Millions

From Our Own Correspondent

MONTREAL.—Up to the end of June, the Quebec Farm Credit Bureau had made a total of 11,921 loans involving $26,591,614. Loans made in June numbered 463 and totalled $1,035,125.

To date, grand total 14,220 loans involving $32,915,889 have been made or approved. This indicates that the $35 millions which the Bureau is authorized to loan will soon be exhausted.

Valuation of the properties secured by mortgages held by the Farm Credit Bureau is $63,108,258. Assets declared were valued at $89,120,436 and liabilities at $28,991,367.

Of the money loaned, $20,124,830 was used to pay off mortgages. Municipalities benefitted by the payment of $214,601 of taxes. School commissions received $210,122 and $100,557 of church dues was paid. Ordinary liabilities of $5,929,353 were paid and seignorial rents of $12,148. Debt reductions obtained for the farmers totalled $1,908,287.

# Building Products Ltd. To Sell Portneuf Plant

From Our Own Correspondent

MONTREAL.—Building Products Ltd. are soliciting tenders for the purchase of the company's property at Portneuf, P.Q. The plant comprises four buildings suitable for use as sawmill, lumber mill or any kind of small manufacturing operations. A small waterpower development forms part of the property.

# Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, broken down according to the chief categories of projects, are shown in the following tabulation by The Financial Post.

**CONSTRUCTION CONTRACTS AWARDED**

**By Groups—First Seven Months**

| | 1939 | 1938 | —Change— 1939 | |
|---|---|---|---|---|
| | — Millions of $ — | | | % |
| Residential | 41.0 | 31.4 | +9.6 | +30 |
| Business | 30.6 | 30.5 | +0.1 | +0.3 |
| Industrial | 14.2 | 10.7 | +3.7 | +33 |
| Engineering | 19.5 | 28.8 | —9.3 | —32 |
| Total | 105.6 | 101.8 | +3.8 | +3.6 |

**July Totals by Groups**

| | 1939 | 1938 | Change | % |
|---|---|---|---|---|
| Residential | 7.7 | 5.8 | +1.9 | +32 |
| Business | 7.0 | 7.6 | —0.6 | —8 |
| Industrial | 1.8 | 1.9 | —0.1 | —5 |
| Engineering | 5.6 | 5.8 | —0.2 | —3 |
| Total | 22.1 | 21.1 | +1.0 | +4.5 |

**July Awards by Classifications**

| | July 1939 $ | July 1938 $ |
|---|---|---|
| Apartments | 866,000 | 891,100 |
| Residences | 6,826,500 | 4,904,800 |
| Total residential | 7,692,500 | 5,795,900 |
| Churches | 470,000 | 893,600 |
| Pub. garages | 333,000 | 192,500 |
| Hospitals | 1,598,100 | 1,266,800 |
| Hotels, clubs | 302,500 | 173,600 |
| Office bldgs. | 1,066,700 | 315,200 |
| Public bldgs. | 282,500 | 998,200 |
| Schools | 1,152,100 | 2,402,700 |
| Stores | 740,400 | 748,000 |
| Theatres | 38,300 | 258,400 |
| Warehouses | 1,016,400 | 351,300 |
| Total business | 7,000,000 | 7,600,300 |
| Total industrial | 1,798,500 | 1,987,700 |
| Bridges | 275,200 | 396,400 |
| Dams, wharves | 867,000 | 403,100 |
| Sewers, watermains | 283,700 | 48,600 |
| Roads, streets | 4,115,800 | 1,634,800 |
| Genl. engineering | 97,000 | 3,291,400 |
| Total engineering | 5,638,700 | 5,774,300 |
| GRAND TOTAL | 22,129,700 | 21,158,200 |

**Cumulative Totals—First Seven Months**

| | | | |
|---|---|---|---|
| 1939 | $105,575,600 | 1937 | $131,861,100 |
| 1938 | 101,813,400 | 1936 | 95,577,000 |

# New Building

**Dominion Dept. of Public Works** recently announced award of 35 contracts calling for total expenditure of $884,500 on various public works, mostly harbor work and dock projects, but including contract for ordnance stores building at Halifax costing $264,595.

**Quebec Dept. of Roads** has awarded contracts for new roads and highway improvements on 17 routes in the province, the group of projects calling for total outlay of over $2 millions.

**Hotel Dieu Hospital** in Montreal is contemplating erection of 300-bed addition, and reportedly will get a provincial grant of $500,000 toward cost of the project.

**University of Western Ontario** is obtaining quotations on estimated cost of construction of observatory building.

**Dominion Dept. of Public Works** has awarded contract at $2,187,000 to Redfern Construction Co., Toronto, for construction of distribution-delivery building to be erected as extension of the main postal terminal in Toronto.

**Crown Cork & Seal Co.**, Toronto, has awarded contract to Pigott Construction Co. for erection of addition to plant.

Reported by Engineering & Contract Record:

**Manitoba Dept. of Public Works** has let contract at $135,130 for surfacing trunk highway leading to Riding Mountain National Park.

**Order of Grey Nuns**, Quebec, is having plans prepared for rebuilding of Beauport Asylum at estimated cost of $3 millions.

**Bank of Toronto** is erecting branch bank, store and apartment building in northwest section of Toronto at estimated cost of $75,000.

# McKinnon Offered Tariff Board Post

## Finance Department Expert May Fill Chairman's Position

From Our Own Correspondent

OTTAWA. — Although no announcement has been made, it is learned here on most reliable authority that the chairmanship of the Tariff Board has been offered to Hector B. McKinnon, the tariff expert of the finance department. Mr. McKinnon, it is understood, will take some time to come to a decision, but the chances are that he will accept the post.

The first chairman of the board, under its present set-up, was Mr. Justice George Sedgewick, who died a few months ago. Hitherto Mr. McKinnon has not been regarded as a likely appointment because he is not a lawyer and the post was thought to be one which could best be filled by a lawyer, preferably a judge.

But the Government realizes that there is no one in the country possessing Mr. McKinnon's knowledge of the tariff and, therefore, the lack of legal training is not regarded as an obstacle. If Mr. McKinnon accepts the appointment, the Government will probably appoint counsel to advise in respect to legal matters.

Previous to the complete reorganization of Canada's tariff enquiry machinery by Rt. Hon. R. B. Bennett in 1930, Mr. McKinnon served as secretary of the Tariff Commission under the chairmanship of W. H. Moore.

# Economic-Political Group Sessions Are Arranged

Eighth annual session of the Canadian Institute on Economics and Politics will be held at Geneva Park, Lake Couchiching, Ont., from Aug. 14 to 26. Leading political figures, economists, teachers and professional men and women have signified their intention of being in attendance.

"The Crisis of Democracy," will be the theme of the session and among the lecturers will be Dr. Hans Simon, of the New School for Social Research, New York; Dr. C. A. Curtis, department of economics, Queen's University; and Lieut.-Col. George A. Drew, Ontario Conservative leader. In a series of four lectures Dr. Simons will analyze current international developments, while Dr. Max Lerner, of Williams' College, Williamstown, Mass., will deliver three lectures. Col. Drew will discuss the question of party government in Canada.

Among others who will take part in the session are:

Dr. B. Wilkinson, University of Toronto.
B. K. Sandwell, editor of "Saturday Night."
Denton Massey, M.P.
Agnes C. MacPhail, M.P.
R. L. Calder, K.C., Montreal.
Rev. Dr. A. G. Sinclair, Bloomfield, N.J.
Dr. W. A. Mackintosh, Queen's University.
Dr. George S. Counts, Columbia University.
Dr. C. E. Phillips, Dr. S. F. Maine, University of Western Ontario.

Dr. Malcolm W. Wallace is chairman of the Institute while R. E. G. Davis of the National Council of the Y.M.C.A. is secretary.

### BURRY BISCUIT DELISTED

Preferred and common shares of Burry Biscuit were removed from trading on the Toronto Stock Exchange on Aug. 2.

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*Investment Trends*

# Reaction Stops Uptrend But No Down Sign Seen

## Background Continues Favorable With Exception of Continued Political Tension and Up Move Likely Resumed

The past three weeks have witnessed little of real interest to investors in so far as stock market action is concerned. Stocks in New York, where most of the leadership in the recent rise came from, have failed to penetrate above the high levels reached on July 22 and since then have dropped lower in what is frequently termed a "normal reaction." Accompanying these moves has been only moderate volume of transactions.

The reaction could extend a few points farther without signalling that the move which was optimistically labelled the start of a new upswing has proven false. It is regarded as normal for a sharp move in either direction to be followed by a reaction and a period of indecision which is trying to the investors' nerves. Once more it must be emphasized that patience is required.

Barring war or a serious crisis in the coming months, there seems good reason to expect the advance in stock prices to be resumed. Just when it will come cannot be foretold accurately, but prospects for fall business, as featured in a story in this week's Financial Post, are promising. Reports show that the turn came toward the end of May and the last three months have shown definite improvement. At any rate there is good reason to suggest that attractive buying levels will be seen if further moderate decline is experienced.

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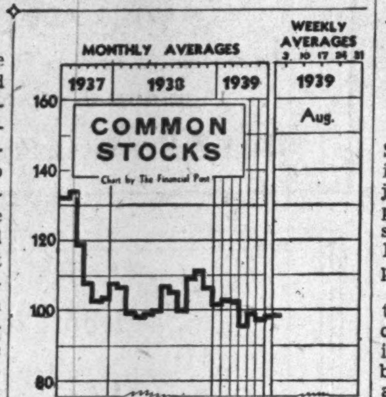

### *British Turn to Stocks*

Investors in Great Britain have given evidence of a pronounced trend toward industrial stocks, indicating fear that the market for high-grade bonds will slide when defense loans appear, according to Whaley-Eaton Service. These defense loans are not expected before autumn but when they come will be huge. The London Economist continues to stress the near approach of full employment in Britain, bringing with it the necessity for increased taxation to reduce consumption or inflation. The Economist points out that it is conceivable that the British Government's decision has been reached to adopt the easier policy of inflation.

These factors indicate continued strength in stock markets in Britain although little action has yet been seen. These matters are slow and require patience while there is still the oft-mentioned fall crisis that is supposed to be scheduled within the next couple of months.

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### *Merchandising Troubles*

The investor does not appear to be the only person who has suffered from conditions prevailing over the past year or more. C. L. Burton, president, The Robert Simpson Co., writes in the August bulletin of the Toronto Stock Exchange that "recent events have engendered antagonism and prejudice against certain European totalitarian countries and the disturbance in Asia has had a similar effect." The result has been that buying connections are disturbed and eventually retail sales are affected.

"It does not appear," he says, "probable that any amelioration will be brought to the present uncertainties of retail trade until the international tension is relieved and business can once more approach its problems with a greater measure of confidence in the future."

Mr. Burton mentions that high speed communications and radio make it impossible for everyday customers of the retail merchant to escape from the feeling of tension and fear so prevalent in the past couple of years. Retail business has been affected violently at times and even over a longer period and "consumers will not commit themselves in advance of their immediate requirements, especially on household furnishings and men's clothing." Another point of difficulty which he mentions is the failure of wholesale prices to recover from last year's decline which left the index little more than 10% above the 1932 low.

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### *Implement Co-Ops.*

First step has been taken by prairie governments toward co-operative, or even government, handling of repairs for farm implements. This was one of the key projects suggested by the Saskatchewan implement probe of last March. It was contended that repairs for farm machinery cost too much and that distribution costs were generally too high.

It is understood that implement companies make considerable money from sale of repair parts. Huge inventories are necessary but volume of sales in the aggregate are large. Thus, this division probably contributes substantially to earnings. Just how the Government or the co-operatives are going to get around the multiplicity of models and parts is not known. The law requires that farm implement companies keep repairs stocked for at least 10 years after a machine is sold but in many instances there is a demand for far longer than 10 years.

This is just one of the problems that the sponsors of the new move must face. But it is known that their ideas envision further steps that may eventually lead to actual manufacture of the whole machine. Implement companies have a large sized job of public relations on their hands that is not made any easier by the continued low level of farm income.

## Investment Notes

**Dominion Bridge Co.** has been awarded the subcontract for the steel superstructure on the new bridge to be erected by the Quebec Government over Grande Riviere du Loup, on the outskirts of Louiseville, on the Montreal-Quebec highway. The cost of the steel work will be $29,180.

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**Foundation Co. of Canada** reports a considerable increase in new business during the summer. Two contracts have been secured from the Canadian National Railways in connection with the new Montreal Terminal. Other new contracts include additions to the plants of Canadian Copper Refiners Ltd., Montreal East; Courtaulds (Canada) Ltd., Cornwall; Canadian Car and Foundry Co., Montreal; Aluminum Co. of Canada at Arvida, Que.

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**Brazilian Traction** — Brazil, by a decree promulgated July 3, 1939, has reduced the tax on exchange remittances for payment of other than import bills from 10 to 5%. Hereafter, all remittances will be subject to a uniform tax of 5%.

This probably can be taken as evidence that the exchange situation in Brazil is improving with a consequent reflected benefit to Brazilian Traction. The time is probably coming closer when Brazilian Traction will be able to resume remittances from Brazil, although the recent figures indicate that the exchange rate on the milreis has been declining.

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**Dominion Woollens** — This company, because of a loss in 1938, turned its previous earned surplus of $322 into a deficit of $183,612. A typographical error in The Financial Post of August 5, showed this deficit as $1,183,612. Currently operations have improved with unfilled orders well above those at this date last year. Operating economies are also being reflected in this year's results.

* * *

**Canadian Celanese** — At current price of about 110 the 7% preferred stock of this company gives a yield of 6.3% before taking into account the participating feature. On the basis of earnings in the first half of the year the participating dividend for 1939 should amount to at least 75 cents a share. In view of the company's earning's record since 1929 the preferred appears to have attraction as an investment.

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### *FATHER & SON DAY*

A novelty in stock exchange elections occurred when William Leggat and his son William Hamilton Leggat simultaneously were voted members of the Montreal Stock Exchange and Montreal Curb Market. Colonel William Leggat, senior partner in the firm of Leggat, Cassils & Co. since its formation in 1920, was elected a member of the Curb Market and his son William voted a member of the Stock Exchange. The younger Leggat has been associated with his father's firm since 1932 and was recently admitted to partnership.

# Detail Outlined Of Sugar Deal

## Anglo-Dutch, Incorporated in Canada, Offering Debentures

**From Our Own Correspondent**

MONTREAL. — Anglo - Dutch Sugar Refining Co., which is buying out the Acadia Sugar Co., is a joint stock company newly incorporated in Canada, according to a statement issued in London, England, by J. McG. Stewart, K.C., president of Acadia Sugar.

No particulars are available as to the interests behind the new company. One unconfirmed rumor is that the Anglo-Dutch Sugar is backed by the same interests which acquired control a few years ago of the Atlantic Sugar Refineries.

Anglo-Dutch offered $1.5 million of 6% 15-year debentures, together with the assumption of existing liabilities of Acadia which include $1.5 million of 4½% bonds.

**Recommends Offer**

In a circular letter to the shareholders under date of Aug. 1, D. R. Turnbull, secretary of the company, states that if the deal is put into effect, Acadia Sugar will have for distribution among its shareholders $1.5 million principal amount of debentures and approximately an equal amount in cash.

"The debentures," the letter continues, "are redeemable at 103% on or before Oct. 1, 1943, and thereafter for 102% on or before Oct. 1, 1947, and thereafter at 101% on or before Oct. 1, 1951, and thereafter at par."

The letter states it has been decided by the directors that these debentures should be offered in the first instance to the shareholders at their principal amount or face value.

**Offer to Shareholders**

Offers will be received from the preferred shareholders in amounts not exceeding the par value of their holdings; secondly, from the ordinary shareholders on a similar basis. Holders of ordinary preference shares who apply for amounts in excess of the par value of their holdings will be allotted any debentures which are not taken up in the distribution under the first two offerings.

In conclusion, the letter states: "Your directors have no hesitation in recommending these debentures. They rank as a higher class of investment than your shares and meanwhile you have sustained no loss of income, as the debentures bear the same rate of interest as the dividend rate currently paid on your shares."

## Jas. Richardson & Sons Admits Another Partner

George William Hutchins has been admitted to partnership in the stock exchange firm of James Richardson & Sons, according to announcement made by the Montreal Stock Exchange. The other partner of the firm is John B. Richardson. Head office is in Winnipeg and branch offices are operated at Toronto, Montreal, Vancouver, Calgary, Edmonton, Regina, Saskatoon, Moose Jaw, Lethbridge, Brandon, Portage La Prairie and Swift Current

## Nova Scotia Steel & Coal Strikers Back at Work

**From Our Own Correspondent**

MONTREAL. — Striking employees of the Nova Scotia Steel & Coal Co.'s steel mill in Trenton have gone back to work "under protest" pending negotiations. This decision followed the stand taken by the company's manager, Hon. Michael Dwyer, who issued an ultimatum of "no work—no negotiations." The strike tied up the Acadia Coal Co.'s four Pictou County collieries for more than a week.

# B. A. Oil Gets Cheap Capital

## $4 Millions of Serial Debentures Are Sold Privately

British American Oil Co. has announced completion of its new financing, in connection with the redemption of the outstanding 4% debentures on Sept. 15 at 101½ and interest.

Subject to the completion of the necessary legal details, A. E. Ames & Co. has taken up the entire issue and placed the debentures privately with certain Canadian banks and institutions. The new issue amounts to $4 millions and has been sold at a price to yield the purchasers an average yield of 2.746%.

Including the $222,000 of the present 4% debentures which are being called for sinking fund purposes on Sept. 1, there are $3,333,500 of this issue outstanding. Redemption of this issue at 101½ would require approximately $3.4 millions. Selling the $4 millions of new debentures to yield 2.746% should give the company very close to $4 millions in new capital. The deal, therefore, should result in giving B. A. Oil approximately $600,000 of new money after providing the funds needed to redeem the present issue.

**Interest Charges Reduced**

The original 4% debentures were sold in April, 1935, at 97.98, to yield 4.25% to the investor. They have consistently sold at a premium. The changes in level of interest rates for high grade corporation bonds are well illustrated by the difference between the 4.25% yield in 1935 and the 2.746% now obtained. However, $2¼ millions of the new issue are serials maturing from 1940 to 1948, thus making the average term to maturity considerably shorter on the new issue.

Annual interest charges on the new issue will be $106,562 the first year with annual reductions as serial maturities are met. On the $3 1/3 millions of 4% debentures charges would be approximately $133,340.

In addition to the new issue, B. A. Oil has $1 million of 2½% debentures, due 1940-41, and $1.5 million of 3% debentures, due 1942-44. Including the new $4 millions of debentures, the company will have total funded debt of $6.5 millions as compared with $8.1 millions at the end of 1935. A description of the new issue follows.

**2-3% Serial Debentures**

Dated Sept. 15, 1939; due Sept. 15, 1940-49. Principal and semi-annual interest (Mar. and Sept. 15) payable in Canadian funds.

Authorized—$4,000,000; to be issued and outstanding $4,000,000, maturing as follows:

| Maturity Sept. 15: | Rate % | Amount $ |
|---|---|---|
| 1940-41 | 2 | 250,000 |
| 1942 | 2⅛ | 250,000 |
| 1943 | 2⅜ | 250,000 |
| 1944-45 | 2½ | 250,000 |
| 1946 | 2⅝ | 250,000 |
| 1947-48 | 2¾ | 250,000 |
| 1949 | 3 | 1,750,000 |

Denominations — Coupon bonds in denominations of $1,000, registerable as to principal.

Trustee—Chartered Trust and Executor Co., Toronto.

Security—These debentures are a direct obligation of the company on the same basis as the 2½% serial debentures.

Purpose of issue—Proceeds of the issue will be used to retire, on Sept. 15, 1939, $3,111,500 of 10-year 4% sinking fund debentures, due Mar. 1, 1945, and for other corporate purposes.

Offered—Sold privately by A. E. Ames & Co., Toronto, in August, 1939, to give the purchasers an average yield of 2.746%.

## Montreal Power Output Records Gain for July

**From Our Own Correspondent**

MONTREAL. — Montreal Light Heat and Power Cons. reports electricity output for consumption in the Montreal area during July at 88,004,050 kwh. This represents a decrease of 5.48% under July, 1938. Output for the first seven months has reached 673,340,470 kw.h., as against 642,800,640 kw.h. for the like period of 1938, an increase of 4.75%.

The company reports a gas output in July of 362,029 cu. ft. as against 369,299,000 cu. ft. in July, 1938, a decrease of 1.97%. Cumulative gas output for the first seven months of 1939 was 2,850,668,000 cu ft. This compares with 2,895,358,000 cu. ft. in 1938, a decrease of 1.54%.

## Famous Players Extends Nathanson Stock Option

Option held by N. L. Nathanson, dated April 15, 1936, covering the purchase of 11,000 shares of Famous Players Canadian Corp. stock at $15 a share has been extended, according to information given the Toronto Stock Exchange. The option, which was exercisable during July, 1939, is now being extended so that it may be taken up at any time until Jan. 15. 1940

## Dominion Coal Boosts Output to Higher Level

**From Our Own Correspondent**

MONTREAL. — Dominion Coal Co.'s collieries produced 385,287 tons during July. This compares with 391,807 tons for the previous month and with only 264,752 tons for July, 1938.

The company's Number 12 Colliery at New Waterford was the highliner with 69,869 tons, while the lowest producer was Number 18, with 3,868 tons.

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Mach. and equip 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 8 | Total utilities 19 | Total co's 95 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929-38:* | | | | | | | | | | | | |
| High | 432.5 | 113.4 | 275.4 | 423.5 | 113.5 | 197.8 | 204.8 | 281.1 | 197.6 | 131.7 | 166.0 | 198.5 |
| Low | 39.2 | 3.0 | 37.7 | 87.7 | 30.8 | 78.8 | 33.8 | 44.3 | 47.1 | 63.1 | 36.9 | 43.3 |
| 1939: | | | | | | | | | | | | |
| Jan. | 129.4 | 16.9 | 79.1 | 173.5 | 52.9 | 172.9 | 126.9 | 133.3 | 57.5 | 85.2 | 42.7 | 102.9 |
| Feb. | 129.4 | 16.4 | 77.6 | 175.9 | 54.3 | 175.3 | 130.4 | 133.6 | 58.2 | 85.3 | 42.9 | 104.1 |
| Mar. | 126.6 | 15.1 | 79.8 | 173.9 | 57.2 | 172.5 | 127.6 | 132.9 | 62.0 | 85.1 | 44.4 | 103.7 |
| Apr. | 111.1 | 11.5 | 71.4 | 162.9 | 53.1 | 169.2 | 116.9 | 119.3 | 58.9 | 83.7 | 41.9 | 96.2 |
| May | 112.5 | 12.0 | 78.9 | 170.2 | 55.0 | 176.3 | 120.4 | 124.6 | 60.8 | 84.7 | 43.2 | 99.2 |
| June | 114.2 | 12.4 | 77.4 | 153.2 | 56.2 | 179.2 | 124.7 | 128.8 | 60.8 | 85.0 | 43.7 | 97.0 |
| Weekly Figures: | | | | | | | | | | | | |
| July 6 | 112.8 | 11.3 | 72.5 | 149.0 | 56.4 | 180.4 | 122.6 | 123.7 | 58.3 | 84.8 | 42.1 | 94.0 |
| July 13 | 115.5 | 11.5 | 75.4 | 154.3 | 57.5 | 181.1 | 123.6 | 126.5 | 58.8 | 85.2 | 42.3 | 95.9 |
| July 20 | 118.9 | 12.1 | 75.2 | 156.6 | 59.5 | 182.3 | 125.4 | 130.3 | 59.2 | 85.1 | 42.8 | 98.0 |
| July 27 | 119.5 | 13.1 | 75.3 | 155.5 | 60.8 | 183.2 | 126.0 | 131.0 | 59.8 | 84.8 | 43.0 | 98.5 |
| Aug. 3 | 118.1 | 12.9 | 74.7 | 155.9 | 61.9 | 183.3 | 126.3 | 129.7 | 59.6 | 85.1 | 42.9 | 98.6 |

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Aug. 8 | 112.33 | 122.27 | 90.17 | 28.13 |
| Aug. 7 | Holiday | | | |
| Aug. 5 | 113.28 | 122.31 | 90.33 | 28.45 |
| Aug. 4 | 113.04 | 122.06 | 90.13 | 28.42 |
| Aug. 3 | 113.53 | 122.38 | 91.16 | 28.50 |
| Aug. 2 | 113.67 | 122.41 | 90.21 | 28.59 |
| Month ago | 110.65 | 120.06 | 86.67 | 27.80 |
| Year ago | 124.77 | 126.59 | 95.76 | 35.06 |
| High, 1939 | 125.92 | 128.95 | 101.27 | 45.00 |
| Low, 1939 | 102.52 | 109.85 | 80.75 | 27.66 |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Ind. | 30 Cbd. | 10 Pprs. | 15 Golds |
|---|---|---|---|---|---|
| Aug. 8 | 66.2 | 72.9 | 70.6 | 70.63 | 111.64 |
| Aug. 7 | 65.6 | 72.7 | 70.3 | 70.64 | 111.43 |
| Aug. 5 | 66.5 | 73.1 | 70.9 | 71.59 | 111.34 |
| Aug. 4 | 66.9 | 73.3 | 71.2 | 71.77 | 111.26 |
| Aug. 3 | 67.0 | 73.3 | 71.2 | 72.82 | 112.14 |
| Aug. 2 | 67.4 | 73.2 | 71.3 | 75.17 | 111.69 |
| Month ago | 64.5 | 69.8 | 68.0 | 64.57 | 111.24 |
| Year ago | 69.2 | 85.5 | 80.1 | 133.18 | 127.38 |
| High, 1939 | 70.1 | 85.0 | 79.1 | 119.77 | 126.48 |
| Low, 1939 | 60.4 | 66.5 | 65.4 | 62.09 | 103.86 |

# Market Opinions

Most observers seem to regard the reaction that has followed the July rise as merely a normal correction and testing of the strength of the support behind the uptrend.

**Barron's, New York (The Trader)** —"Industrial stocks are, on the average, roughly four points lower than a year ago, bond yields are ½ of 1% lower, business activity measured by Barron's business index is 15 points higher. The record of half-year corporate earnings is in amazing contrast with that of the first half of 1938. The inventory situation, except in a few instances, is as sound as a year ago. Forward business, both in heavy goods and consumer lines, is considerably in excess of last year. Based on accomplishments and prospects, therefore, the odds are still strongly in favor of full seasonal expansion in the fall in both business and the stock market."

* * *

**Brookmire Bulletins, New York**— "The stock market remained within the range which has existed since mid-July, and until a movement out of it takes place, the near-time trend will not be clearly discernible. However, regardless of nearby fluctuations, underlying factors on a broad front are showing definite improvement, and further substantial longer-term recovery in the stock market is therefore the expectation. Portfolios should be fully-invested, and advantage should be taken of this period to assure adequate representation in dynamic stocks."

* * *

**The Investors' Chronicle, London (July 29)**—"As each week passes the fear of war at what may be termed the 'crisis period' diminishes. Investors are evidently disposed to follow readily an upward movement. In sum, the indications are of hopeful augury for the early autumn trend, and it now seems doubtful whether intending buyers of equities are likely to gain much by delay."

* * *

**The Annalist, New York.**—"After such an interval of stabilization (the last two weeks) it is to be expected that some sign either of a resumption of the advance or of a reaction will soon make its appearance. Obviously a break through recent highs by leading issues would be a favorable indication, particularly if it occurred on heavier buying. A decline below the lows reached during the last week in July might well prove the start of a general decline."

* * *

**Stock Exchange Gazette, London (July 29)** — "The increasing resilience of markets has now developed into a definite improvement. The inferiority complex has lifted and from several quarters—some of which have been uncompromisingly bearish for a very long time— notes of optimism may be heard. Well-reasoned arguments are being adduced for an upward movement among industrial equities, which, if it gathers strength, will in turn have an influence on the gilt-edged market."

* * *

**Barron's, New York (The Dow Theorist)** — "Too much significance should not be attached to whichever way the averages break through. New highs would merely reaffirm the uptrend, while declines in both averages through the bottom of the range would signal a secondary decline in a bull market. Such reversals of the main trend are normally expected to cover from one third to two thirds of the movement which they correct. In this case one third to two thirds would mean roughly 140 to 135 in the industrials, while in the rails it would mean roughly 28.25 to 26.75."

# *Many Stocks Go Higher While Averages Decline*

The year from June 30, 1938 to June 30, 1939, produced stock market averages and indices lower at the end of that year than at the beginning. The rise that has taken place since July 1 may have changed this in some cases, but it makes the results for the year ended June 30 all the more interesting.

During the period of generally lower prices, not all stocks behaved alike. Some showed gains ranging up to 50% or thereabouts. Others showed losses of close to 90%. O'Brien & Williams, Montreal Stock Exchange firm, has calculated the percentage changes in a large group of Canadian stocks over the year which ended June 30 last. It shows a wide range of performances.

**Interest Warranted**

Just because a stock was able to make gains in price last year, a period of generally weaker prices, is no guarantee that it will do so again this year. But it is an indication of an improving position and seems to bring such stocks in the class that merit investigation.

If a company demonstrates a strong earning power and financial position it is likely to make the best showing from the standpoint of the market performance of its securities. Conditions change in different industries, however. Crop developments from year to year will influence the prosperity of an important group of companies. Legislation or tariff changes may aid one group and harm still others.

Last year the pulp and paper companies were disappointing to their security holders. This year they may provide an entirely different trend.

As providing an interesting example of varied stock performance over the past year, this study is reproduced here.

**PRICE MOVEMENTS, 1938-39**

**Industrials which gained more than 10%:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Montreal Industrial Average | 72.7 | 79.8 | 68.1 | —14.6 |
| Aluminium Ltd. | 128½ | 100 | 124 | +24.0 |
| Asbestos Corpn.‡ | 23½ | 18¼ | 21½ | +17.8 |
| Associated Breweries | 16½ | 14 | 16½ | +17.8 |
| Building Products | 19 | 14¼ | 16⅝ | +16.6 |
| Canada & Dom. Sugar | 26¾ | 23½ | 25⅞ | +10.1 |
| Canadian Celanese | 19 | 12 | 15 | +25.0 |
| Distillers Seagram | 18¾ | 14½ | 17 | +16.0 |
| Dominion Glass Co. | 113 | 97 | 113 | +16.5 |
| Dominion Stores Ltd. | 6½ | 5 | 7¼ | +45.0 |
| Industrial Acceptance, A | 30¼ | 26½ | 29 | +12.8 |
| Page-Hersey Tubes | 102 | 90 | 100 | +11.1 |
| St. Lawrence Flour Mills | 22¼ | 17 | 22 | +29.4 |

‡Reflects 4-for-1 split.

**Industrials which gained up to 10%:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| British American Oil Co. | 22⅝ | 20¾ | 22 | +6.0 |
| British Columbia Packers | 16¾ | 12 | 12¼ | +0.2 |
| Canada Malting Co. | 36¾ | 33¼ | 35⅜ | +6.3 |
| Canadian Industries, B | 205½ | 191½ | 198½ | +3.6 |
| Commercial Alcohols | 2 | 1½ | 1.60 | +0.6 |
| Imperial Tobacco | 16¾ | 14⅞ | 16¼ | +9.2 |
| Lake of the Woods Milling | 18½ | 15 | 16 | +6.6 |
| Lang, John & Sons | 12 | 9 | 9⅝ | +0.7 |
| National Breweries | 40¾ | 40 | 40½ | +0.1 |
| Provincial Transport Co. | 7¼ | 6⅞ | 7½ | +0.9 |
| Steel Co. of Canada | 76 | 66 | 72 | +9.0 |
| Wabasso Cotton Co. | 18 | 15 | 16 | +6.6 |
| Walker, Hiram | 44½ | 39 | 42 | +7.6 |

**Industrials which lost from 0.1% to 10%:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Canadian Breweries, pfd. | 21¼ | 21 | 20¼ | —3.5 |
| Dominion Coal, pfd. | 18½ | 18¼ | 18 | —1.3 |
| Dominion Engineering Works | 26 | 27 | 26 | —3.7 |
| Dominion Textile Co. | 70 | 65 | 64 | —1.5 |
| Ford Motor Co., A | 20 | 19⅜ | 18⅞ | —2.5 |
| National Steel Car Corpn | 50 | 44¾ | 44 | —1.7 |

**Industrials which lost from 10% to 30%:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Alberta Pacific Grain, pfd. | 20 | 25¾ | 17⅜ | —28.6 |
| Bruck Silk Mills | 3 | 3½ | 2¾ | —21.4 |
| Canada Vinegars | 11¾ | 15½ | 12 | —22.5 |
| Canadian Bronze | 34 | 40 | 30 | —25.0 |
| Can. Car & Foundry, com. | 9 | 12½ | 9 | —28.0 |
| Do., pfd. | 20 | 27½ | 20 | —28.0 |
| Canadian Converters | 6 | 10 | 7 | —30.0 |
| Dominion Bridge Co. | 29 | 32 | 27¼ | —14.8 |
| Fleet Aircraft | 5½ | 7½ | 6 | —20.0 |
| Imperial Oil | 15⅛ | 17 | 14¼ | —16.1 |
| Internat. Petroleum | 22⅝ | 25 | 20½ | —18.0 |
| Massey-Harris, pfd. | 44 | 49½ | 41 | —17.1 |
| Niagara Wire Weaving | 18 | 24 | 17 | —29.1 |
| Ogilvie Flour Mills | 28½ | 30 | 25¼ | —15.8 |
| Penmans Ltd | 41 | 47 | 38 | —19.1 |
| Simon, H. & Sons | 7 | 9 | 7½ | —16.6 |

**Industrials which lost more than 30%:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Canada Cement Co. | 7¼ | 10¾ | 7½ | —30.2 |
| Canada Steamships, pfd | 8¼ | 14½ | 8 | —44.8 |
| Can. Foreign Investment | 9 | 15 | 9 | —40.0 |
| Can. Industrial Alcohol, A | 2 | 3 | 1.80 | —40.0 |
| Canadian Locomotive Co. | 4½ | 6 | 4 | —33.3 |
| Canadian Pacific Rly. | 4¼ | 7 | 4 | —42.8 |
| Canadian Vickers | 3 | 8½ | 2 | —76.4 |
| Cockshutt Plow | 6½ | 10¼ | 6 | —41.4 |
| Dom. Steel & Coal, B | 10¾ | 14¾ | 9⅞ | —33.0 |
| Dom. Tar & Chemical | 5½ | 8 | 4½ | —43.7 |
| Fairchild Aircraft | 4⅛ | 5⅜ | 3¾ | —30.2 |
| Foundation Co. | 10 | 14 | 8½ | —37.1 |
| Gurd, Chas. & Co. | 5¼ | 8 | 5½ | —31.2 |
| Gypsum, Lime & Alabastine | 5 | 7½ | 4 | —46.6 |
| Hamilton Bridge Co | 1 | 8 | 1 | —87.5 |
| Mitchell, Robt. Co. | 10 | 13 | 8¾ | —32.7 |
| McColl-Frontenac Oil | 5¾ | 10½ | 5¾ | —45.2 |
| Reliance Grain Co. | 2½ | 8¼ | 5 | —39.6 |
| Sherwin-Williams | 12 | 17 | 10 | —41.1 |
| United Steel Co. | 4 | 5¼ | 3½ | —33.3 |

**Papers:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Montreal Pulp & Paper Average | 70.64 | 130.78 | 63.01 | —51.0 |
| Bathurst Power & Paper, A | 6 | 10⅛ | 5¾ | —43.2 |
| Consolidated Paper Corp. | 4 | 7¾ | 3⅞ | —50.0 |
| Donnacona Paper, A | 3½ | 7¾ | 3⅛ | —59.6 |
| Fraser Companies V.T.C. | 9¼ | 18 | 7⅞ | —56.2 |
| Howard Smith Paper Mills | 12 | 17 | 10½ | —38.2 |
| MacLaren Power & Paper | 10½ | 14 | 9¼ | —33.9 |
| Price Brothers Ltd. | 11½ | 18¼ | 9½ | —47.9 |
| St. Lawrence Corp., A pfd | 10 | 16 | 7¾ | —51.5 |
| St. Lawrence Paper Mills, pfd. | 20 | 44 | 24 | —45.4 |

**Utilities:**

| | Current Price | Price June 30 1938 | Price June 30 1939 | Change % |
|---|---|---|---|---|
| Montreal Utility Average | 65.6 | 68.5 | 64.6 | —5.6 |
| Utilities which gained: | | | | |
| Beauharnois Power | 4⅜ | 3⅜ | 3⅜ | +1.4 |
| Bell Telephone | 175 | 162½ | 174¾ | +7.5 |
| English Electric, A | 30 | 29 | 29½ | +1.7 |
| Gatineau Power | 15 | 11 | 14 | +27.2 |
| International Power | 3 | 3¾ | 4 | +6.6 |
| Mtl. Light, Heat & Power | 32½ | 29½ | 31 | +5.0 |
| Utilities which declined: | | | | |
| Brazilian Traction | 8 | 11¾ | 8 | —32.1 |
| British Columbia Power, A | 27½ | 30 | 26 | —13.3 |
| Canada Northern Power | 10 | 19⅞ | 16⅛ | —18.8 |
| Power Corp of Canada | 7¾ | 14¼ | 9¼ | —35.0 |
| Shawinigan Water & Power Co. | 19 | 21½ | 19¼ | —10.46 |
| Southern Canada Power | 11 | 15 | 12 | —20.0 |
| Winnipeg Electric, A | 1.60 | 2¾ | 1.60 | —41.8 |

**Massey-Harris Company, Limited**

**4¼% First (Closed) Mortgage Bonds**

Due March 1st, 1954

Massey-Harris Company, Limited is the largest manufacturer of farm implements in the British Empire, its products being sold in fifty-five countries.

During the fiscal year ended November 30th, 1938, bond interest requirements were earned four times after depreciation. The Company should benefit this year from the improved crop outlook in Western Canada.

**Price: At the market, to yield over 4.50%**

Descriptive circular forwarded upon request.

**Wood, Gundy & Company**
**Limited**
Toronto Montreal London, Eng.
Ottawa Hamilton
Winnipeg Vancouver London, Ont.

# *Canadian Chemical Field Attracts European Capital*

**From Our Own Correspondent**

MONTREAL.—Existing situation in Europe is turning interest to Canadian resources and technical ability for developing chemical products necessary to the Empire, according to Victor G. Bartram, vice-president of the Shawinigan Chemical Co.

In his presidential address at the recent annual meeting of the Society of Chemical Industry in Exeter, Eng., Mr. Bartram declared Canada is fast becoming an important factor in the world's chemical industries. With her basic natural resources and cheap hydro-electric power, Mr. Bartram said, it is expected that she will, as time goes on, further develop as a producer of chemical products.

At present there is produced in Canada a large range of chemicals used domestically and a considerable volume of chemicals for export. Among the principal chemicals being produced today are sulphuric acid and by-products, caustic soda, chlorine, synthetic ammonia, hydrogen, nitrogen, nitric acid, sodium sulphate, acetic acid, acetone, acetic anhydrate, acetylene black, vinyl acetate resins and cyanamid.

In addition to the foregoing, Mr. Bartram told the Society, many other chemical products are being manufactured in various places in many small undertakings. But this could greatly be extended, he said, and with the continued unsettlement in Europe, it is possible that European capital will be attracted to expand the Canadian chemical industry.

# New Company Offers Shares

## Modern Containers Is a Merger of Toronto and Ottawa Concerns

**From Our Own Correspondent**

MONTREAL.—Public offering of preference and common shares of Modern Containers Ltd. is being made by Johnston and Ward, Montreal investment firm.

While Modern Containers is a new company, the offering of 3,000 shares of 5½% cumulative preference stock and 25,000 shares of no par value common stock does not represent new financing. The shares being offered were acquired through purchase of all the issued and outstanding stock of Collapsible Tubes & Containers Ltd., Toronto, and Modern Machine Co. Ltd., Ottawa, which companies have been amalgamated under the name of Modern Containers.

The merger of the two units to form Modern Containers was initiated in the first place by Fry & Co., investment dealers, Toronto. This company interested Johnson & Ward, which firm is making the public offering.

Of the total offering, only a portion is being offered for subscription by the public. Shareholders of the amalgamated companies were given first chance to subscribe for stock in the new company.

Since 1929 the amalgamated companies have been operating under the control of Industrial Securities Ltd., a holding company. For many years they have supplied most of the collapsible tube containers for tooth paste, shaving cream, cosmetics and other semi-liquids distributed in Canada. They also manufacture metal and plastic caps for same, as well as bottle tops and stoppers.

The yearly average net profit of the combined companies for the past five years has been $44,818. This is equivalent to $14.94 a share on the preference stock and $1.13 a share on the common stock of Modern Containers.

A pro forma balance sheet as at June 30 last shows net working capital of $309,688 and total assets of $631,965. Formulae processes and goodwill, formerly carried in the balance sheet of the amalgamated companies at $395,870, have been written down to $11,619. Physical assets are carried at a depreciated value of $225,448 as against an appraisal value of $617,118 shown in a report of Dominion Appraisal Co., dated June 30, 1939.

The preference stock is being offered at par and the common stock at $12.50 a share.

## Aldred Investment Corp. Revenues Up This Year

**From Our Own Correspondent**

MONTREAL.—Aldred Investment Corp. (Canada) reports for the six months ended June 30, 1939, a net profit of $1,587, including a profit of $2,125 on the sale of securities. For the corresponding period of 1938, net profit of $117, which sum included a profit of $404 on securities sold.

Market value of the investment portfolio as of June 30 was $910,145, compared with a book value of $2,292,807, a depreciation of $1,382,662. At the end of 1938 investments had a book value of $2,302,809 and a market value of $1,056,723.

## Saint John Port Traffic Shows Good Gain in July

**From Our Own Correspondent**

MONTREAL.—Conditions are improving at the Port of Saint John judging by the Port Manager's report for July. During the month the volume of cargo traffic handled totalled 108,120 tons, as against 85,699 tons in July last year.

For the first seven months this year the port handled 1,222,568 tons. This represents a small reduction from the like period of last year when traffic totalled 1,327,651 tons.

## Can. Int. Investment Trust Declares 50-cent Dividend

**From Our Own Correspondent**

MONTREAL.—Directors of Canadian International Investment Trust Ltd. have declared a dividend of 50 cents a share on the cumulative preferred stock, payable on Sept. 1 to shareholders of record on Aug. 15. Following this payment, arrears on the preferred will amount to $24.25 a share.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
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CALGARY CANADA

**Features**
in the August issue
THE CANADIAN CHARTERED ACCOUNTANT
Valuation and verification of inventories
Amendments of provincial tax acts
Accounting and administrative system for municipalities
Supreme Court of Canada decision in Riedle Brewery tax case
Taxation in Britain

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*Bond Markets*

# Bond Financing Higher In First Half of Year

## Bank of Canada Reports Sales of $498.8 Millions in Six Months, Against $418.9 Millions in Same Period of 1938

Volume of bond financing in the first half of this year was larger than in the same period of 1938. A computation of the Bank of Canada Statistical Department shows sales of $498.8 millions as against $418.9 millions in the first six months last year.

Increases were recorded in both new financing and refunding. New financing amounted to $180.9 millions and refunding to $318.5 millions. This compares with $153.3 millions and $265.6 millions respectively in the first half of 1938.

The field of provincial finance accounted for the entire increase in new financing, sales for other than refunding purposes being $38.1 millions ahead of the same period a year ago. The large increase in refunding operations was in the corporation field. Refunding issues sold by corporations during the six months ended June 30 amounted to $163.9 millions, as against $14.1 millions in the same period of 1938.

* * *

### Bank Holdings Rise

The chartered banks continue to be one of the most important factors in the bond market. During the first six months of the year they increased their holdings of bonds by $63 millions to $1,525 millions. In other words, purchases of the banks in the six months ended June 30 were equivalent to more than one third of the new bond financing undertaken in Canada in that period.

Dominion and Provincial Government bonds held by the Bank of Canada and the chartered banks total $1,426 millions. This is equivalent to 22.6% of the $6,309 millions of Dominion and provincial guaranteed, and C.N.R. bonds presently outstanding.

* * *

### Reduce Exchange Risk

One of the most favorable features of bond financing in recent years has been the steady reduction in the amount of Canadian Government and corporation bonds payable outside of Canada. During the first half of the year here was a net decrease of $74.4 millions in the amount of Dominion, provincial and corporation bonds payable in other than Canadian funds. Details are lacking in regard to municipal and religious issues. During the past 3½ years the net decrease has been $457.9 millions.

The Dominion and Provincial Governments and the C.N.R. have outstanding a total of $6,309 millions of bonds. Of these, $3,672 are payable in Canadian funds only. A total of $2,636.9 millions are payable in New York and London only or optionally.

* * *

### Montreal Finances

The city of Montreal situation is unchanged. The city's bankers are standing by their refusal to make loans to the city other than those that can be repaid out of current revenue. The city's share of relief costs is being financed by selling new issues of bonds to the sinking fund.

The latter development is not favorable for bondholders and under normal conditions it could not be justified. There is, however, some justification of this action as a temporary expedient to overcome financial difficulties. At the same time it must be realized that the sinking fund is being weakened.

Nothing has been heard for some weeks of the proposed damage suit of the city against the banks. It now looks as if this was merely an attempt to use a club to force the banks to change their attitude.

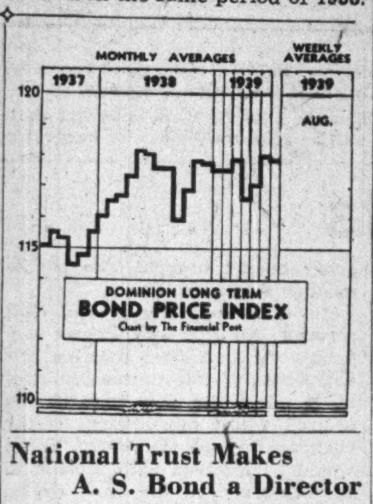
The city is still without a constructive programme for a solution of its financial difficulties. It is no nearer to a solution than it was at the first of the year. Various steps taken have merely postponed the day of reckoning.

* * *

### Bond Index

DOMINION OF CANADA
Long-term Bond Index

| | Latest week Jul 21-Aug 3 | Preceding week Jul 21-27 | Weekly average year ago |
|---|---|---|---|
| Price ..... | 117.7 | 117.9 | 117.4 |
| Yield ..... | 60.4 | 60.2 | 63.4 |



## Godfrey Realty Corp. Earns Bond Interest

From Our Own Correspondent

MONTREAL. — Godfrey Realty Corp. reports minor improvement in rentals in the year ended April 30 last, gross rentals amounting to $150,764 as against $144,799 in the previous year.

Expenses rose from $82,588 to $95,806, with the result that net operating revenue, before bond interest and depreciation, declined $7,399 to $56,292. The latter was just sufficient to cover first mortgage bond interest of $56,000 by a narrow margin. After all charges there was a net loss of $19,492.

## Bond Sales

### St. Malachy Parish

Comptoir National de Placement Lte. has been awarded an issue of $160,000 4% 30-year serial bonds of the Parish of St. Malachy in Montreal. The issue is secured by the assignment to the trustee of a special tax levied on all real estate properties owned by Catholics within the limits of the Parish. This special tax has priority over municipal taxes.

All the bonds having been sold, there will be no public offering.

## Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| Robt. Simpson .. | *5% | 1952 | Jan. 1 '40 | 105 |
| Dom. Textile .... | 4½% | 1955 | Sept. 1 | 105 |
| Ont. Pwr. of Niag. Falls .......... | 5% | 1943 | Aug. 15 | ■ |
| Brit. Amer. Oil . | •4% | 1945 | Sept. 1 | 101¼ |
| B. A. Oil, s.f. deb. | 4% | 1945 | Sept. 15 | 101¼ |
| Okanagan Tel. .. | 6% | 1953 | Sept. 1 | 102 |
| Wood, A. & J. .. | ‡6% | 1944 | Aug. 16 | ... |

*All outstanding balance. •$222,000. ■$125,000. ‡$26,800.

## Public Utility Earnings

Mexican Light and Power

| | 1939 $ | 1938 $ | Decrease $ |
|---|---|---|---|
| June | | | |
| Gross earn. .. | 589,101 | 639,859 | 50,758 |
| Oper. exp. .. | 490,207 | 518,429 | 28,222 |
| Net earn. .... | 98,894 | 121,430 | 22,536 |
| Six Months | | | |
| Gross earn. .. | 3,618,091 | 4,320,124 | 702,033 |
| Net earn. ... | 581,654 | 1,172,462 | 590,808 |

## National Trust Makes A. S. Bond a Director

National Trust Co. announces that Allen S. Bond has been elected to the board of directors. Mr. Bond, who has been manager of the company's Winnipeg office since 1923, is retiring from this position because of ill-health. He has been with the National Trust Co. in Winnipeg since 1913.

A. S. BOND

Ronald W. Pearson has been appointed superintendent of western branches by the National Trust Co. Mr. Pearson will also act as manager of the Winnipeg office. In addition to its Winnipeg office, National Trust Co. operates offices at Saskatoon and Edmonton in western Canada.

# Company Reports

## National Pole & Treating

National Pole & Treating Co., subsidiary of Minnesota & Ontario Paper Co., was able to reduce its loss for the six months ended June 30, 1939, to $33,370, after all charges including interest, from $85,744 for the corresponding half of 1938. The accounts of this subsidiary are not consolidated in the statement of Minnesota & Ontario Paper.

Income and Surplus Account
Six Months Ended June 30

| | 1939 $ | 1938 $ |
|---|---|---|
| Net sales ............. | 819,034 | 669,682 |
| Less: Cost of sales ... | 767,306 | 643,930 |
| Gross profit .......... | 51,728 | 25,752 |
| Less: Expenses ....... | 68,269 | 73,600 |
| Other deductions .. | 33 | 119 |
| Add: Other income .. | 1,969 | 2,136 |
| Loss on operations .. | 14,605 | 45,593 |
| Add: Interest paid ... | 37,136 | 38,772 |
| Less: Gain on note retire. ........... | 20,061 | ...... |
| Net loss ............ | 33,370 | 85,744 |
| Less: Previous surplus | 645,050 | 727,415 |
| Surplus forward ..... | 611,681 | 641,671 |

Working Capital

| | June 30 1939 $ | Dec. 31 1938 $ |
|---|---|---|
| Current assets ....... | 1,312,280 | 1,418,912 |
| Current liabilities .... | 53,763 | 79,664 |
| Working capital ..... | 1,258,517 | 1,339,248 |

## M. & O. Paper

Trustees for Minnesota & Ontario Paper Co. report higher sales and a smaller loss in the first half of 1939 than a year ago. In their review of sales and operations, it is said that conditions showed improvement in practically all lines except kraft paper.

The report says: The trustees and their counsel expect to be "largely engaged during the pending quarter in the preparation of a plan of reorganization."

Income and Surplus Account
Six Months Ended June 30

| | 1939 $ | 1938 $ |
|---|---|---|
| Net sales ........... | 6,970,622 | 5,642,672 |
| Less: Cost of sales .. | 5,900,467 | 4,984,257 |
| Gross profit ......... | 1,070,156 | 658,414 |
| Less: Selling exps. .. | 566,597 | 443,267 |
| Admin. & gen. exp. | 264,622 | 275,821 |
| Net income ......... | 238,937 | *60,674 |
| Add: Other income .. | 41,740 | 50,554 |
| Less: Other deductions | 35,994 | 43,369 |
| Net earnings ........ | 244,683 | *53,489 |
| Less: Interest paid .. | 854 | 4,291 |
| Int. accrued but not paid: | | |
| Funded debt .... | 1,248,088 | 1,199,070 |
| Other obligations. | 155,694 | 112,916 |
| Extra charges ...... | 59,034 | ...... |
| Net loss ............ | 1,218,987 | 1,369,766 |
| Less: Prev. surplus .. | 689,412 | 4,359,285 |
| Surplus forward ..... | *529,575 | 2,989,519 |

*Loss or deficit.

Working Capital

| | June 30 1939 $ | Dec. 31 1938 $ |
|---|---|---|
| Current assets ...... | 7,437,801 | 7,053,973 |
| Current liabilities ... | 1,002,384 | 1,140,907 |
| Working capital ...... | 6,435,417 | 5,913,066 |

# Blue Ribbon Profit Higher

## Net $119,669 Against $67,211 in Previous Year

Marked improvement is shown in earnings of Blue Ribbon Corp. in the year ended June 30, 1939. Net profit was equivalent to $4.01 on the preferred shares, compared with $2.25 in the previous fiscal year.

Volume of business on Blue Ribbon trademarked lines in both eastern and western Canada was considered satisfactory under existing conditions, J. M. DeC. O'Grady, president, states in the annual report. The confectionery business went through a difficult year, suffering from extreme competition and price-cutting. Results were disappointing, Mr. O'Grady states.

Inventory is higher than usually carried. The president says that this has been well purchased in anticipation of increased business during the remainder of the year.

During the year readjustment of the company's capitalization was approved by shareholders. The preferred stock was changed to 5% voting stock from 6½% non-voting. All dividend arrears were eliminated. There were 10,000 new shares authorized, which remain in the treasury.

Balance Sheet Items
At June 30

| | 1939 $ | 1938 $ |
|---|---|---|
| Cash ................. | 30,199 | 16,192 |
| Accts. rec. less res. .. | 522,466 | 518,522 |
| Inventories .......... | 999,247 | 948,724 |
| Trademarks, etc. ..... | 1 | 4,756 |
| Bank advances sec. .. | 458,111 | 406,906 |
| Accts. payable ....... | 146,939 | 171,009 |
| Min. int. in subsid. .. | 61,550 | 129,022 |

Consol. Income and Surplus Account
Years Ended June 30

| | 1939 $ | 1938 $ |
|---|---|---|
| Gross earnings ...... | 296,384 | 217,792 |
| Less: Legal fees ...... | 3,567 | 1,334 |
| Exec. salaries ...... | 59,518 | 58,593 |
| Operating profit ..... | 233,299 | 157,865 |
| Less: Depreciation .. | 81,720 | 65,388 |
| Income tax ........ | 31,910 | 25,266 |
| Net profit ........... | 119,669 | 67,211 |
| Less: Pref. divds. ... | 67,163 | 59,700 |
| Surplus for year .... | 52,506 | 7,511 |
| Add: Prev. surplus .. | 134,803 | 127,292 |
| Surplus forward ..... | 187,309 | 134,803 |
| Earnings per Share: | | |
| Pref.: Earned ...... | 4.01 | 2.25 |
| Paid ............. | 2.25 | 2.00 |
| Com.: Earned* ..... | 0.71 | nil |
| Paid ............. | nil | nil |

*After deduction of reduced dividend requirements of 5% per annum on preferred stock. For comparative purposes in 1938.

Working Capital

| | 1939 | 1938 |
|---|---|---|
| Current assets ....... | 1,551,911 | 1,483,438 |
| Current liabilities .... | 653,200 | 616,683 |
| Working capital ...... | 898,711 | 866,755 |

## Commodity Prices

Hesitancy again featured the commodity markets with weekly indices moving irregularly.

In the agricultural group, adverse crop news from the North American spring wheat areas brought a moderate rise in wheat. Cotton depressed by fears that credits would not be granted to carry the cotton loans in the United States, failed to recover losses fully when congress voted the necessary funds. Recent warm weather has curtailed the packing house demand for livestock while low grain prices have also been a depressing factor.

Silk, in the industrial group, was weaker owing to the feeling that Japan may press sales of silk from now till the trade treaty lapses. United States industry and foreign importers were buying copper more freely with the result that the price rose slightly.

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle ............ | $6.50 | $7.00 | $7.75 |
| Hogs ............. | 9.25 | 9.85 | 11.10 |
| Copper, lb. ....... | .10½ | .10⅜ | .10⅛ |
| Cotton, lb. ....... | .0955 | .0965 | .0853 |
| Rubber, lb. ....... | .1670 | .1657 | .1606 |
| Sugar, raw, lb. ... | .0290 | .0290 | .0275 |
| Silk, lb. .......... | 2.62 | 2.70½ | 1.74 |
| Wheat, Man. (bu.) | .54⅞ | .53¾ | .83⅝ |
| Coffee, lb. ...... | .05⅛ | .05⅛ | .05½ |
| Hides ............ | .12 | .12 | .11½ |
| Weekly Indices | | | |
| Canada (D.B.S.) ... | 72.1 | 72.5 | 78.0 |
| Do., Wood, Gundy | 54.1 | 53.9 | 56.5 |
| U. S. Labor ........ | 74.8 | 75.2 | 78.6 |
| Dow Jones (future) | 47.66 | 47.84 | 48.02 |
| Crumps (Brit.) .... | 70.5 | 70.6 | 73.2 |
| Fishers' ........... | 78.6 | 78.6 | 81.0 |
| Monthly Indices | | | |
| Canada (D.B.S.): | | | |
| Retail (Jluy) ..... | 83.1 | 82.9 | 84.2 |
| W'sale (June) ... | 73.3 | 73.7 | 80.1 |
| U. S. (May) ....... | 76.2 | 78.1 | 78.7 |
| Gt. Brit. (June) ... | 98.1 | 97.8 | 100.7 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

## As Others See Us . . . . .

### Curb High-Grading

Sudbury Star

There may be more dividends for Canadian gold stock investors after this month, in the opinion of The Financial Post, after noting that the new regulation of the Ontario Government ordering the licensing of every refinery goes into effect Aug. 1. It is estimated in reliable quarters that every year the mines of Ontario have been losing about $700,000 to $1,000,000 in high-grade ore pocketed at the properties. To cash in on this somebody had to have a refinery.

Officials have had some curious chases, following small refineries from the United States to western Canada, back to Ontario and so on. If Joe Zilch, suit presser, had a refinery, officialdom might think it odd but could do nothing about it. Under the new law officialdom gets a record of where all the refineries are and can find out the whys and wherefores if the setup looks interesting. This is one piece of regulation that the mines fully favor.

# Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Issued | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| North Bay, Ont. ........... | Aug. .... | Willis, Bickle & Cayley ........ | .... | 5-yr. ser. | $50,000 | ..... | 3.25% |
| City & County of Saint John, N.B. ........... | Aug. .... | T. M. Bell & Co. ........ | 3½%<br>3½% | 1947<br>1948 | 12,000<br>121,000 | 99.76 | ..... |
| Parish of St. Malachy, P.Q. .... | Aug. .... | Comptoir National ........ | 4% | 30-yr. ser. | 160,000 | 98.35 | ..... |
| New Toronto, Ont. .......... | Aug. .... | J. L. Graham & Co., Burns Bros. & Denton | ... | 12-yr. ser. | 500,000 | ..... | ..... |
| Twp. of North York, Ont. ...... | Aug. .... | Privately ........ | .... | 5-yr. ser. | 100,000 | ..... | ..... |
| Provincial— | | | | | | | |
| Quebec ..................... | Aug. .... | Can. and U. S. Syndicate ........ | 3%<br>3¼% | 1940-59<br>1953 | 20,000,000<br>10,000,000 | ..... | ..... |

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Bell Telephone Co. .......... | Aug. .... | Privately ........ | 3¼% | 1964 | $25,000,000 | ..... | ..... |
| Do., (Note) ........ | | ........ | 2¾% | 1-yr. | 3,000,000 | ..... | ..... |
| British American Oil Co. ...... | Aug. .... | A. E. Ames & Co. ........ | 2-3% | 1940-49 | 63,000,000 | ..... | ..... |

*Pulp and Paper Industry*

# Interest in "Newsprints" Low

## Prospects of Limited Earnings in International Markets Holds Down Enthusiasm

From Our Own Correspondent

MONTREAL.—Investor interest in the newsprint securities continues at a low ebb. There have been no startling developments one way or the other in connection with the industry's affairs. That, coupled with the usual dullness prevailing in the summer months, has kept interest to a minimum.

"Earlier in the year there was a reasonable degree of optimism. It was not anticipated that there would be any great change in production or sales. A moderate improvement was anticipated. This anticipation was borne out by official returns for the first half of the year. Production showed a small but satisfactory increase. Shipments also recorded an improvement. On this basis there were grounds for believing that the individual operators would show a small and encouraging increase in net earnings for the year.

### Reported Flattening Out

Preliminary reports are that the returns showed a tendency to flatten out during July and a continuance of this trend in August appears probable. In some quarters it is expected that shipments to the end of August will not be far ahead of the like period in 1938, while the returns for the full year will not bring about any material difference in earning power.

The bearing out of this conservative or pessimistic view will cause considerable disappointment to the thousands of newsprint security holders. They have held on to their bonds and stocks with the idea that the industry would eventually work back into a strong position. Returns for 1937 gave rise to a widespread speculative interest in the newsprint securities. The "collapse" in the market during 1938, due to overproduction in 1937, was disappointing. However, it was felt that the condition was more or less temporary and that by 1939 operations would be back on a more or less normal basis. This was the feeling earlier in the year.

Both production and shipments to the end of June recorded a moderate gain over the first half of 1938.

### Abitibi Returns Off

The June figures of Abitibi were a bit of a shock in that they showed a sharp decline in operating profit, while earnings for the half year were nearly $80,000 behind those for the first half of 1938.

Abitibi is the only company issuing monthly statements on shipments and earnings, so that the trend of its business is taken as being indicative, though not necessarily an accurate barometer, of what other companies are doing.

### Volume Holds Up

Abitibi's earnings have shown an unfavorable trend since April, but not of any importance until June when operating profit amounted to less than $200,000 as against $331,000 in June, 1938. During June Abitibi's shipments of newsprint were off 3,000 tons at 24,200 tons, but shipments of bleached sulphite increased by 700 tons to 2,800 tons. The gross dollar value of shipments, therefore, was about the same as last year.

The experience of Abitibi seemingly is being duplicated by some of the other companies which gives rise to the view previously outlined that 1939 may not see earnings on any better basis than in 1938.

Figures on production and shipments for July will be released at the beginning of next week when it will be possible to see from the official returns whether there has been any "flattening out" or change from the recent trend.

Meanwhile the prospect of limited earnings is, in conjunction with the international situation, tending to hold down interest in the newsprint securities.

### Outlook Continues Indefinite

Among the factors bearing more directly on newsprint securities as a group is the lack of confidence. There is a curious lethargy among investors toward the industry; a condition apparent for several months. This condition would pass quickly in the face of more optimistic reports, but it is difficult to see any major change in the near future.

It is too early to make more than tentative forecasts of what the industry is likely to do for this year. Still at this time the investor can foresee a very sharp decline in shipments to the Oriental and South American markets. Ordinarily they are fairly important outlets for Canadian newsprint. Australasian demand is likely to stand up well, thanks to the contract made with the publishing interests not long ago. The English demand in 1939 should compare favorably with 1938, while shipments to the United States should be on a larger basis than a year ago.

### Should Sell More

To the end of June Canadian sales amounted to 1,306,338 tons. This represented an increase of about 175,000 tons over the same period in 1938. Even if demand is not maintained during the last half of 1939, prospects are that the industry will ship an additional 250,000 to 300,000 tons, bringing the total up close to 2.8 million tons. This contrasts with slightly better than 2.5 million tons in 1938.

This anticipated improvement of a little better than 10% compared with 1938 normally should find reflection in earnings. On the other hand operating costs of all kinds of business have tended to increase and the slight betterment in operating ratio may not have any material affect on costs per ton of newsprint produced. It would seem, however, that earnings on the basis of expected returns should be better than a year ago. The failure of Abitibi to reflect this trend is all the more curious.

### Southern Pine Danger

Another factor tending to dampen interest in Canadian newsprint securities is the uncertainty over Southern newsprint. Southern newsprint is still somewhat of an enigma. There are many diverse opinions on the possible commercial success of this venture and what it may mean to manufacturers in Canada.

While difficult to be definite, several facts stand out. A newsprint mill is being built in the South, with the help of Government and private funds. It is scheduled to come into production next year. The output, all under contract, represents a comparatively small proportion of the United States requirements, but the effect of a new source of supply on the American newsprint market will not work to the advantage of the Canadian manufacturers.

If the southern mill is successful and if science can improve the quality of southern newsprint, the results may have repercussions on the Canadian industry. The danger of this possible state of affairs should not be minimized.

### Other Marketing Changes

In the Antipodes Australian publishing interests, with help of the Government, are actively at work in setting up a newsprint industry in Tasmania scheduled to come into operation in 1940 or 1941. This plant will be able to meet only a small proportion of domestic requirements, but, more important, it represents another source of newsprint.

Turning to the English market, Bowater has strengthened his position there by securing control of the Cornerbrook mill.

Competition from the Scandinavian mills in the U. S. market has shown no let up. Germany is buying Canadian pulpwood and converting it into newsprint for shipment to the United States. France has recently entered the American market.

All these countries are particularly anxious to build up trade with the States and are selling their newsprint at a figure considerably under that asked by the Canadian manufacturers.

The volume of European imports would not go far in meeting the American publishers' requirements, still on marginal business the Canadian operators are at a disadvantage owing to the price differential.

Another influence on the Canadian manufacturers' position in the American market is the spread of $2 a ton in the price being asked for the domestic product as compared with that imported from Canada. Two dollars a ton means a lot to the publishers these days. Consequently the American mills are working at capacity in order to meet demand. Canadian mills in June operated at 66.4% of capacity, the highest ratio since last November.

### Problem of Marketing

The Canadian industry has a marketing problem on its hands and investors are well aware of it. Newsprint is an international commodity. In setting a premium on its product, the Canadian industry is at a strong disadvantage in competing for business. It must have export business if it is to prosper, for the Canadian market is capable of absorbing less than 10% of the output of the domestic mills.

All of these are influences which weigh on the mind of the investor when considering Canadian newsprint securities and explains, in large measure, the apathy toward this group.

## Surplus Wood Pulp Drops to Lower Level

From Our Own Correspondent

MONTREAL. — Canadian woodpulp produced for sale has accumulated to the extent of over 23,300 tons at May 1 this year, against 44,500 tons at the mills a year ago, according to compilation of the Pulp and Paper Magazine of Canada. Even more encouraging is the fact that a year ago of the stocks accumulated, approximately 50% were unsold, whereas in May this year only 5,000 of the 23,300 tons were unsold.

Another change of significance is that a year ago the unsold portion consisted overwhelmingly of sulphite pulp, some 20,400 tons being bleached or unbleached sulphite. At the same time there was about 1,900 tons of unsold kraft. This year there was a scant 250 tons of unsold sulphite and some 4,800 tons of unsold kraft.

## U. S. Paperboard Output Running Ahead of 1938

From Our Own Correspondent

MONTREAL. — Paperboard production in the United States for the first half of 1939 totalled 2,209,038 tons, equivalent to 67.1% of rated capacity. This contrasts with an output for the like period of 1938 of 1,755,528 tons, or 57.5% of capacity.

Unfilled orders at the end of June totalled 95,058 tons, as against 76,693 tons a year ago.

## U. S. May Apply "Dump" On Foreign Wood Pulp

From Our Own Correspondent

MONTREAL. — Anti-dumping tariff duties against wood pulp from some foreign countries shipping into the United States at less than cost, are under consideration by the United States Treasury.

Making public a letter sent to the American wood pulp producers who requested the original investigation, the Treasury did not identify the countries charged with dumping, but it was learned that one of these investigated was Germany.

Wood pulp ordinarily is imported duty free, but if the final Treasury investigation shows that it is being "dumped" in the United States, a compensating tariff will be imposed on wood pulp from the dumping countries.

## U. S. Now to Investigate Imports of Pulpwood

From Our Own Correspondent

MONTREAL. — An investigation of all facts relating to wood pulp or pulpwood, showing the volume of importations compared with domestic production and the conditions, causes and effects relating to foreign competition, has been ordered by the United States Senate. The date of the report to be made to the Senate has been extended to not later than April 15, 1940, instead of January 15, 1940, as originally proposed.

In this connection the United States Treasury is considering imposing anti-dumping duties against wood pulp from some foreign countries. No specific country is mentioned, but reports are that the additional charge may be imposed on German wood pulp.

## Anglo-Canadian Pulp Deposits Plans for Dam

MONTREAL. — Anglo-Canadian Pulp & Paper Mills has filed plans with the Quebec Government for the construction of a dam on the Montmorency River, in Montmorency County.

It is expected that the application will be considered about the middle of the month and, if approved, work will be started immediately.

# Antipodes Paper Plans Progress

## Australia Plans Newsprint Mill Operation by Late 1940

From Our Own Correspondent

MONTREAL. — Cable dispatches from Australia state that Australian Newsprint Mills Ltd., the company formed by Australian newspaper concerns to manufacture newsprint, is going ahead with its plans for erection of a plant on the Derwent River in Tasmania.

The company has let a contract for the building of the main machine room to a Melbourne firm and has dispatched its general superintendent, L. R. Benjamin, to Canada and the United States to purchase logging equipment.

Work on construction of the machine room will begin almost immediately since production is scheduled for September, 1940.

The company has ordered several major units of the plant and has also arranged for the supply of 10,000 h.p. of electrical energy by the Tasmanian state-owned hydro electric system. Plans have been completed for transportation of some 40,000 tons of pulpwood a year by the Tasmanian Government railways.

## Bond Tenders

Aug. 14, Sherbrooke, R. C. School Commission—$30,000, 3½%, due serially 1940 to 1954.

Aug. 14, Joliette, P.Q.—$64,500, 4%, due serially 1940 to 1969; $68,500, 3½ or 4%, due serially 1940 to 1949.

8 p.m., Aug. 10, Noranda Protestant Sch. Commission—$125,000, 4½% 15-year serial bonds. V. K. Polk, sec.-treas.

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FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
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THE CHICAGO TRIBUNE
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Newsprint
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TORONTO, AUGUST 12, 1939

## The Financial Post Editorial Platform for Canada

*The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.*

*The Financial Post stands for LEADERSHIP of this kind in Canada.*

*Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:*

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

## Selling Telegraph Service

TELEGRAPH receipts of both railways are reported as showing a decline because of the competition from air-mail service. When letters mailed in the East can be delivered in Winnipeg, Regina, Calgary and Vancouver the next day the need for sending a telegram is greatly lessened.

What are the railways doing to create and hold telegraph business? Apparently very little.

One or two changes in rates have been announced, but how zealous have the two companies been in merchandising their product among commercial users and in seeking out ways and means of increasing the market for wire messages and services?

For example, the two companies have probably saved some money by agreeing not to advertise express, freight and telegraph services except on company wagons, station windows, etc. But meanwhile better publicized competitive mediums have arisen in all fields and are getting the business. What began as an economy measure has proved a costly, short-sighted move. This ridiculous policy has probably prevented a national increase in volume which might eventually tend to lower rates and further volume.

Telephone companies have been able to create and hold an amazing volume of business through intelligent, well-directed advertising campaigns. Constant emphasis on the advantages of telephone service have educated Canadians toward becoming one of the greatest users of this medium of communication in the world.

Companies which fail to press the claims for their service in this highly competitive age soon find themselves outdistanced by new and competing mediums. Telegraph companies in Canada, in company with their parent organizations, the railways, are losing out through failure to seek new sources of traffic and income and failure to make the most of the business opportunities which now exist.

They have failed to do educational work at a time when they had a monopoly on fast service of the printed word. Now they have to compete with air mail — a more difficult and costly job. The longer they leave it, the more difficult it will become.

## An Even Break for Canadians

SERIOUS thought to the problems of Canadian magazines and trade papers is urged by The Port Hope Guide in an able editorial. The Guide brings out facts that the average person does not appreciate.

Probably 85 per cent of the magazines sold in Canada are of foreign origin, it points out. Thousands of tons of foreign literature are carried by our post office free of charge. In striving to compete, Canadian publishers suffer great handicaps. The Guide adds:

> "There is nothing more important, particularly in a country such as Canada, than that it should have a truly Canadian literature.".

By way of remedy the Port Hope editor suggests a tax on imported periodicals, but possibly lower than the duty levied a few years ago.

What the Port Hope Guide says about the difficulties under which Canadian periodicals labor is sound and true. But Canadian publishers have not asked that a duty be levied on imported magazines. For instance, Col. John Bayne Maclean, founder and chairman of the largest periodical publishing house in Canada, has for 31 years argued against taxing imported literature. At one time his representations were successful in inducing the Government to remove a duty on publications entering Canada and competing with his own. He argued then, as he argued now, that while the taxing or shutting off of foreign publications would be helpful and profitable to his immediate interests, he recognized that every good business or technical newspaper and every well-edited magazine that came into Canada could be helpful to the people of this country in the conduct of their affairs. (This, of course, does not apply to certain types of obscene, sensation-mongering or livid literature.)

Many Canadian publishers agree with Col. Maclean. All they ask is that they be freed from the discriminatory taxes and levies which they pay and which their foreign competitors do not pay. Put them on an even basis of competition, they assert, and they will continue to provide Canada with truly Canadian periodical literature that will help to build up this country.

## Politics at Montreal

COMMENTING on the analysis of the Montreal terminal project as set forward last week in The Financial Post, the Montreal Gazette emphasizes the unsavory political facts of this undertaking. Briefly these may be summarized as follows:

1. That the first intimation of a revival of the project abandoned in 1932 was given by two members of the Ottawa Government during the St. Henri by-election in January of last year.

2. That the C.N.R. directors did not make their announcement until 11 months later.

3. That the Government refused to hear opponents of the scheme.

Reference to the files of The Financial Post adds a further item to this record.

On Dec. 18, 1937, The Post reported an official denial from Hon. C. D. Howe, Minister of Transport, that the C.N.R. would go ahead with the project. "No recommendation has come from the directors of the system," he is reported as saying, "for any action on the long-awaited building."

This statement was made only one month prior to the St. Henri by-election. It confirms the suspicion that political rather than economic considerations played the major rôle in determining this costly expenditure whose immediate and ultimate benefit is of such doubtful validity.

## Silver Bonus Unwarranted

LATEST candidate for government assistance is silver. After a campaign for silver remonetization extending over weeks, the mining editor of a Toronto paper finally brings forth the proposal that a bonus of 15 cents an ounce be granted on all silver production.

In the view of this editor, every depression since 1873 has had its root in the demonetization of silver as a money metal. It is implied, too, that revaluation of gold five years ago was caused by a gold shortage which might not have been experienced if silver had had a more widespread monetary usage. Such complications as economy in the use of gold by central banks, tariffs, managed currencies, and countries which refuse to take favorable balances of trade in goods, are evidently not believed worthy of mention. Any one of these is probably more important in recent history than the fact that silver has not found favor as a money metal.

The proposal that 15 cents an ounce be paid on all silver production from Ontario indicates little study of the facts. Over 70% of Ontario silver production comes from our nickel-copper refineries and gold mines. No great advantage would be achieved by paying a bonus on this output. It would do little toward keeping our 1,000 silver miners in employment, which is ostensibly the end in view.

Silver is a depressed industry, but for Canada to pay a bonus on its production would add another unwarranted rigidity to the national economy and put an unnecessary burden on taxpayers without any commensurate return.

## Election Dilemma

PRIME MINISTER KING is obviously worried about his election dilemma.

His personal preference is for a fall election. But if he dissolves Parliament he runs the risk of leaving the country without a parliament for the best part of three months. Were a European crisis to develop in that time and Canada's participation were to become a live issue, the fundamental tenet of his foreign policy, namely "let Parliament decide," would be jeopardized.

But is there no alternative between a fall and spring election?

Reference to previous records shows that of 17 general elections, 8 were in the fall (either September or October); 6 were in the winter (November, December, January, February or March) and 3 were in the summer. Clearly the preference is for September or October but as the Winnipeg Free Press points out there is ample precedent for winter elections and, indeed, the election which first made Mr. King Prime Minister was held in December. The Ottawa Journal also points out that it is much easier for people to get to the polls in winter now than it was 10 or 20 years ago, which makes an election in December or even in January or March far from impossible.

These comments overlook the close relationship between government and employment. In each of the past seven years a million or more persons have been receiving direct relief in Canada during the winter months. Almost without exception the low point in aid to jobless has been September or October. After these months have passed, the bread lines lengthen and hundreds of thousands of people move from private employment to public charity.

Shrewd political observers already forecast that Canadian prosperity will reach a new post-depression peak by October of this year. They believe by that time every employable person in Canada will be able (with the aid of considerable public undertaking, of course) to find work. Once this seasonal peak has passed, the prospect for winter employment becomes problematical and, accordingly, the election barometer is almost sure to be falling rather than rising.

Taxpayers have one reason for wanting an earlier campaign. The fewer people who are out of jobs when politicians are seeking return to office, the less likelihood there is of expensive and extravagant election promises being made.

## Making Mounties in Canada

LAST week we noticed on a departmental store counter a colorful, well-made "mountie." He was perched on his horse and was obviously there to attract the tourist trade. At 38 cents he was probably succeeding, for he made a highly desirable souvenir of a trip to Canada. In the past, tourists counters have been lacking in approriate emblematic souvenirs of this type.

On looking more closely at the mountie we found in large letters the word: "Germany."

Eliminating bias against Naziism, even taking a broad view of the need for two-way trade if Canada is to continue as the fourth exporting nation of the world, it seems unfortunate that souvenirs of Canada should have to be made—as so often they are made—in a foreign country.

Surely there is enough native genius in Canada to produce capably and economically in this country an abundant supply of saleable and attractive souvenirs to cater to the tourist trade?

If such an accomplishment is not possible then perhaps there is an opportunity for this type of manufacture, in Canada, by the skilled craftsmen and artisans who are now seeking entry to this country from Europe?

## The Canadian Editorial of the Week

### THE ONLY WAY

The Halifax Herald

THIS newspaper is not against the railways: this newspaper is in favor of the railways. This newspaper would like to see the railways prosperous, with plenty of railway employment and activity all along the line.

But it is the considered judgment of this newspaper that the railways, as they serve the Maritime Provinces, have not been taking advantage of their opportunities or attempting in any effective way to meet the keen competition offered by new forms of transportation.

The airplane is here to stay, as is the motor truck and the motor bus. These newer forms of transportation have their own place in the modern world and their own functions in providing public services.

But there is also a place for the railways—and only a visionary would suggest that the railways could be or should be crowded out of the picture.

But the railways must increase the efficiency of their services—must be constantly on the alert for more modern means of catering to the public needs and demands.

This they have done in other parts of this country, and to some extent in the Maritime Provinces.

But not in any considerable degree in Maritime Canada—and there is ample scope in Maritime railway operations for new forms of public service that will restore the railways to a position of popularity with the travelling public.

For the travelling public simply will not patronize railways that do not keep their equipment up to date and their schedules and services up to date.

And in many cases the railway schedules in the Maritime Provinces are no better, no faster, but really are poorer, than they were 25 years ago.

This, of course, is an impossible situation where the railways themselves are concerned—a situation that must be remedied if the railways are to survive as public utilities giving satisfactory public service and adequate employment to the railway population.

"On their own heads, in their own hands, the sin and the SAVING lie."

## Editorials in Brief

**House of Commons** was flooded this week. Nothing new about this — except that it was water, this time, not oratory.

* * *

**One very prominent Liberal** who knows our Prime Minister very well says he is betting unreservedly on a fall election.

He argues that if Mr. King left the matter over till next year he would then have no alternative —no choice between yes or no to make.

Such a situation, he says, would be intolerable to a man of the Prime Minister's disposition.

* * *

**Edmonton** is reported as greatly elated over the outcome of recent provincial conventions in which the Unity, Conservative and Liberal associations approved a plan to form a "citizens' slate" to the support of which their combined efforts will be given.

The Edmonton Journal believes what has happened in the capital city has greatly strengthened the efforts to unify opposition to the present administration throughout the province.

## Sayings of the Week . . . .

"I just don't eat too much."—*Henry Ford.*

* * *

"I believe in remaining mediocre."—*George Robey.*

* * *

"A man of sense may be in haste, but can never be in a hurry."—*Lord Chesterfield.*

* * *

"There is something very noble about the sailor's wife."—*Admiral Sir Edward Evans.*

* * *

"I hope to have a seat in the next Federal Parliament of Canada."—*Helen Kinnear, K.C.*

* * *

"In my own country, we have looked on many occasions on coming disaster, which never happened."—*Sir William Crawford.*

* * *

"I will be a housewife—the old-fashioned kind. I would like to raise a family."—*Marjorie Hillis, author of "Live Alone and Like It."*

* * *

"We are faced with a situation more serious than any that has ever confronted us."—*R. S. Hudson, Secretary to the Department of Overseas Trade.*

* * *

"These expressions of goodwill are a constant inspiration to both the King and myself in our efforts to promote the true spirit of friendship throughout the world."—*Queen Elizabeth.*

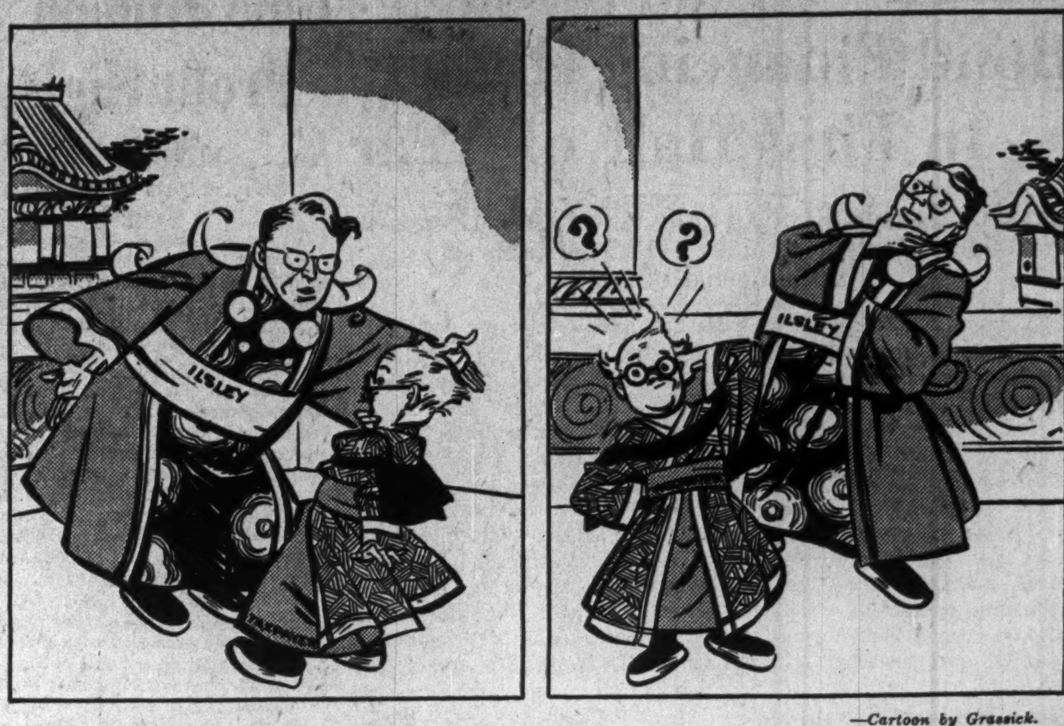
* * *

"The foreign policy of this country is in a peculiar and almost unprecedented degree the personal policy of the Prime Minister." — *Sir Archibald Sinclair, leader British Liberal Party.*

* * *

"In my note on 'Thought Reading' in Wednesday's 'Daily Sketch,' a slip occurred. I did not say I would put a hair of my head 'round the bottom of my garter,' but 'round the bottom of his gaiter.'"—*Lady Oxford.*

AGRICULTURAL IRONY



—*Cartoon by Grassick.*

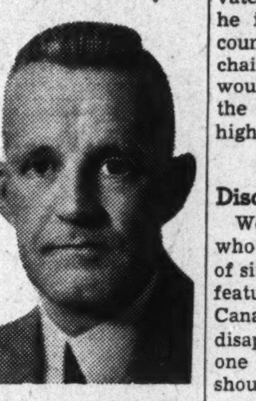
**POO BAH ILSLEY: "As Hon. Minister of National Revenue I regret to inform you that the recent shrinkage in wheat crop prospects will seriously affect the national income.**

**"But as Hon. Acting Minister of Finance I am pleased to report that the same circumstances will greatly lessen the amount of the bonus you will be required to pay to honorable wheatgrowers."**

# Post-Scripts . . . .

### Tariff Doyen

Hector McKinnon, whose name is being mentioned, authoritatively, as the chairman of the Tariff Advisory Board, is unique in this respect—he is trusted without qualification by protectionists and by free traders. He stands right at the meeting point of the tariff battle. He is engulfed in the struggle of high tariff and low tariff. Yet both sides know him as their friend.



H. B. McKINNON

Mr. McKinnon has had one of the strangest careers this country has known. He began as a journalist, rising to the position of associate editor of the Toronto Globe in the Jaffray period of the middle twenties. He was for many years the Globe's correspondent in the Press Gallery.

Mild of manner, slow to anger, Mr. McKinnon had one curious antipathy in his years as a parliamentary commentator. He never could abide women in parliament. And, in case you meet him, there is another odd quirk about Mr. McKinnon. He cannot abide even a speck of dust on his shoes. They tell a story of Mr. McKinnon travelling up the Mackenzie river with a group of distinguished authors, roughing it in the roughest part of Canada's sub-arctic. Yet, come rain or sun, he kept his shoes spotless and burnished.

* * *

Journalism ended for Mr. McKinnon in 1925 when, along with John Lewis, later senator, he quit the Globe on a matter of principle, Mr. McKinnon's tariff views being pronouncedly of the free trade slant, the principle is not far to seek.

Within a few weeks, this ardent tariff reformer found himself at the very heart of the tariff problem, as the secretary of the Liberal Advisory Tariff Board, whose chairman was W. H. Moore, now Liberal member for Ontario. Mr. McKinnon took to the tariff as a duck to water. He got to know more about rates of duty, about Canadian industry, about how a tariff change would affect manufacturers, than any one at Ottawa. And in due course, he moved to the Finance Department as the tariff adviser of the Minister of Finance. All this in the booming times of Robb and Dunning.

* * *

Then came Mr. Bennett and Mr. McKinnon's star suddenly and completely passed into eclipse. Mr. Bennett was minister of finance as well as premier and he would have nothing to do with this dyed-in-the-wool Grit, and a low-tariff Grit at that. Mr. McKinnon was packed bag and baggage out of the Finance Department and into the Customs Department, there to ruminate, ruefully, on the unwisdom of his early associations and, it was fervently hoped, to become so restive that he would take himself out of the Government service and, forever, out of the ken of Mr. Bennett.

In those days, Mr. McKinnon had a small desk and nothing to do in the office of R. W. Breadner, the high priest of high tariff in this country.

Alas for Mr. Bennett. He discovered along in 1931 that he required, above all, to know the detail of the tariffs he was dealing with. He was driven to Mr. McKinnon with the inevitable directness of a bit of steel to a magnet. He went angrily, unwillingly, complainingly. But he went, and in Mr. McKinnon he found the faultless encyclopedia that he required.

Anon, Mr. McKinnon emerged from obscurity, was again ensconced in the Finance Department. He became as essential to Mr. Bennett as the very air the prime minister breathed. He grew in stature, became number one man in the Finance Department in the negotiation of trade treaties.

* * *

His responsibilities have grown with the years. He has been a key figure in every trade agreement Canada has entered into since 1932; he has been the budget adviser in every budget brought into parliament in that time.

He is, in truth, the perfect civil servant. No one who knows him doubts for an instant that his private views remain unchanged. But he is about the only man in the country whose appointment to the chairmanship of the Tariff Board would be received with acclaim in the West and in the East, among high protectionists and free traders.

* * *

### Disappointed Monarchs

We learn from an English friend who is "in the know" on a number of situations that there was only one feature of the whole Royal Tour of Canada and the United States that disappointed Their Majesties. No one suggested to them that they should ascend to the peak of a skyscraper.

The Queen, in particular, our friend tells us, wanted to enjoy the experience and she had discussed with the little Princesses her hope that someone would arrange for her to be taken to the roof of the Canadian Bank of Commerce building in Toronto, the tallest building in the British Empire.

"Oh, if you did that, you would be nearer to God than any of us," Margaret Rose is said to have commented.

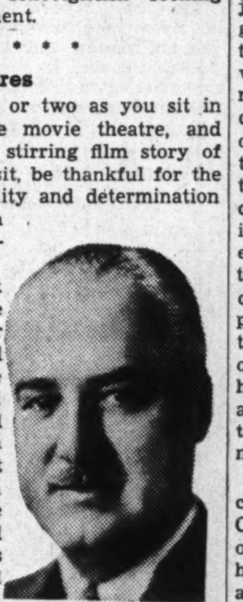
But no one, apparently, put a skyscraper on the route, either in Canada or the United States. And the King and Queen themselves did not like to make the suggestion lest someone accuse them of a schoolboyish and schoolgirlish seeking after excitement.

* * *

### Royal Pictures

In a week or two as you sit in your favorite movie theatre, and thrill at the stirring film story of the Royal visit, be thankful for the patience, ability and determination of Captain Frank Badgley.

For most people, the Royal tour was ended when the King and Queen sailed away from Halifax. But for Captain Badgley, the trials and tribulations which had beset his path as boss of the Royal Tour Photographic "Pool," flared up anew as he tried to organize and edit the mile upon mile of movie film and the thousands upon thousands of photographs which had been acquired by the official "Pool" during the visit.



CAPT. BADGLEY

Take, for example, the full-length feature movie on the King's visit which it is hoped will be ready for distribution throughout Canada at the end of this month. If all the film story, taken during the visit were brought together for one feature show, it would take nine hours to see the whole 80,000 feet of regal celluloid. Even the most enthusiastic Canadian would probably balk at a nine-hour show on the Royal visit yet every Canadian will be eager and insistent on seeing as much as possible of his home town ceremonies. Imagine civic consternation, if Kitchener, for example is shown, and Stratford is left out. Or imagine Maritime indignation if ample coverage is not given to the things the King and Queen did in the provinces-by-the-sea.

So one job which has kept Frank Badgley awake at nights since the Royal tour ended, is trying to figure a way of cutting a nine-hour show down to, say, 1½ hours and still do justice to this epic event.

* * *

The same sort of job has to be done in editing the 20,000 feet of magnificent color movie taken on 16 mm. film and which will probably have to be cut in half for presentation to Their Majesties and for official records. Demanding attention also are thousands upon thousands of photographs taken by Captain Badgley's official pool photographers hour after hour throughout the 30-day visit. As a matter of fact, these photographs are still pouring in to Captain Badgley's offices in the old Canadian Motion Picture Bureau Building at Rockcliffe.

* * *

It is over 18 years now since Captain Badgley was offered a temporary job in Ottawa to reorganize the Exhibits and Publicity Bureau for the Department of Trade and Commerce. Five years later he was made permanent director of the Dominion Government Motion Picture Bureau which he evolved out of the old organization.

This job was really a by-product of the Great War. A member of the first contingent, Captain Badgley (M.C.) was wounded at the Somme, 1916. After the hospital and one or two other assignments, he was made staff officer with the British War Mission in the United States. His particular job was the handling of pictures and films for British propaganda in the U. S. When this job was over he took a position with Metro Pictures in New York. For a while he was in the scenario department for D. W. Griffith, combining technical work in the studios and in between times movie acting with such stars as Marguerite Clark, Margaret Clayton, Alice Brady, Montague Lee and so forth.

Big movie jobs that Captain Badgley has already to his credit in Canada are the Confederation Diamond Jubilee, the Prince of Wales Tour, the Canadian Government Vimy film, "Salute to Valour," and its war film, "Lest We Forget."

* * *

All these were pretty small potatoes compared with the colossal job of organizing the official photographic pool for the Royal visit and trying not only to keep up with world-wide demand for wirephoto, movie, news reel and regular news coverage but also to keep peace and order and to ensure that good photography went hand in hand with the minimum of annoyance and confusion as far as the Royal tour itself was concerned. It was a big enough job being asked to handle the photographic pool, which included ace photographers from all parts of the world. In addition, Captain Badgley usually bore the brunt of anything and everything which happened in a photographic way along the Royal tour whether it was the work of pool photographers or not.

As far as the movie itself is concerned, the expectation is that the Government will sell rights to it to one of the nationwide distributing houses and thereby retrieve at least a portion of the substantial cost involved in making it. For although the chief actors required no pay and there is virtually no script to be written, it cost between $15,000 and $16,000 to produce this great movie story of 1939.

* * *

Captain Badgley is a native of Ottawa. His forebears came to Canada with the Northwest Trading Company. Captain Badgley's grandfather was a law clerk in Parliament at the time of Confederation. His early education was at Lakefield School followed by an engineering course at McGill. Captain Badgley's middle name — Chamberlain — comes to him from his grandfather, Colonel Chamberlain, who was editor of the Montreal Gazette. While at McGill, Frank Badgley used to do night reporting for the Montreal Herald and the Gazette. Before the engineering course was completed the war broke out. After that the movie career began.

Despite the trials and tribulations of Royal visit photography, Captain Badgley has time to talk about the fine nine-pound boy which arrived at his home a few weeks ago. Whether the boy's middle name will be "George" or not we haven't yet ascertained. At any rate, when the young man grows up he will be able to boast to his friends about the big job his dad did during the Royal visit, 1939, and to display with pride the crested cigarette case given by the King and Queen to his father as a token of royal appreciation.

## Stop Me If . . .

Betty: "Do you have any green lipsticks?"

Drug Store Clerk: "Green lipsticks?"

Betty: "Yes, a railroad man is going to call on me tonight."

## As Others See Us . . . . .

### The Bata Plants

New Westminster British Columbian

The Financial Post cordially warms up to these (Bata Shoe) proposals. Membership in the British Empire gives Canada tariff and market advantages. But the Government is timid lest offence be given to Canadians already on the voters' list. In support of the proposal it is represented that even if there are Canadians who could do the work just as well, Mr. Bata wants his own. He is spending his own money. He can build his own factory elsewhere. The fact that a few handfuls of Canadians may not have got jobs they think they could do is completely outweighed by the fact that several thousand other Canadians will get jobs.

### Nova Scotia Coal

Halifax Chronicle

Another word or two about The Financial Post's Maritime section would seem to be in order. The section includes a large display advertisement inserted by Nova Scotia's Department of Mines. The advertisement, in large type and few words, cites facts about Nova Scotia coal and reminds the reader that:

Nova Scotia buys the greater part of its manufactured goods from central Canada which produces no coal of its own.

And the advertisement's message concludes with the direct reminder that "The more you buy from us, the more we can buy from you."

### "Keep Canada Foreign"

Brantford Expositor

The Financial Post in a timely article points out that the "theme song" of Canada's government travel advertising is that Canada is a "foreign country." "This," says The Post, "is a basically sound appeal to the American traveller." That is sound common sense, and the idea should be carried out to the full all over the Dominion, so that tourists from the United States, while they will be made to feel thoroughly at home in a country that speaks the same language, cherishes the same ideals, and observes the same customs, will find something different from what they see in their own land.

Many hotels, service stations and restaurants, by the display of American emblems, hardly give the visiting tourist the opportunity to realize that he is not in his own country. What tourists desire to see is Canada and Canadians as they are. They see enough of their own country when they are home.

### New Industries Can't Hurt Us

Ottawa Journal

Decision by the Government to permit the Bata shoe people to establish a factory in Canada is, we think, a sensible decision. Whether this firm plans to spend in Canada the large sums mentioned or to employ the great number of Canadians mentioned isn't really relevant. The point is that they are going to invest a substantial block of capital and to employ a substantial number of Canadians, and that is the sort of thing this country can't afford to refuse.

After all, Canada has something like half a million wage-earners on relief. If we are going to turn down a business enterprise backed by reliable people that promises to take many of these wage-earners off relief, then we might as well put up the national shutters altogether.

The Toronto Financial Post puts the thing very well:

> "In the flight of industry from the war-threatened countries of Europe, Canada has presented to her the greatest opportunity in a generation. . . This is not a question of sympathy for refugees. It is a question of sympathy for distressed Canadians for whom we shall never find jobs unless this country can be made to grow. There has been no real progress in Canada for 10 years—outside the gold mining industry. The country is sluggishly fighting a losing battle against rising debt and disappointing national income. The opportunity of obtaining new industries from Europe is one we should grasp without delay and without timidity."

This states the facts; and, so far as we know (and we have looked at most of the objections to this Bata shoe factory), there are no other important facts.

### Montreal New Terminal

Montreal Gazette

The entire history of this unfortunate terminal venture is recorded in the current issue of The Financial Post. One of the facts stressed is that the first intimation of a revival of the project abandoned in 1932 was given by two members of the Ottawa Government during the St. Henri by-election in January of last year, that the Government refused to hear opponents of the scheme, and the C.N.R. directors did not make their announcement till 11 months later. The general suspicion that a political purpose is being served, appears, in the light of these circumstances, to rest upon a very strong foundation.

Even if the Government did not originate the plan for this $12,600,000 expenditure it is nevertheless bound up directly in the project, financially and otherwise, and cannot therefore escape responsibility for an obvious and flagrant violation of the statutory policy of co-operation to which the Administration and both railway systems are bound.

The Government, moreover, in assuming this responsibility, is throwing good money after bad. $12,600,000 after the $16,600,000 spent between 1929 and 1932. If the Canadian National were a private enterprise, dependent upon its own earnings or the resources of its shareholders, no such expenditure would ever be undertaken, if for no other reason that this terminal is for passenger traffic only and that neither railway system in this country derives any net revenue from traffic of this class.

Furthermore, this new outlay is significant as the continuation of a policy which has already proved ruinous, a policy of wasteful expenditure, involving vast sums of public money for the purpose of increasing the competitive strength of a publicly-owned system which is required by law to co-operate with the privately-owned system wherever and whenever possible.

*Week in Business*

# Farm Purchasing Power Likely to be Substantial

### Despite Reduction in Western Crop, Harvest Expected to be Large — Tourist Trade Appears Improving in Recent Weeks

Recent news from western Canada indicates that the crop there will be materially reduced from earlier estimates, owing to the great heat. But while some areas will experience a virtual crop failure, the yield of the three Prairie Provinces as a whole, according to current estimates, will be well above average.

One observer estimates that while Manitoba will have less wheat to sell than a year ago, Saskatchewan will have more, and Alberta considerably more than last year. In eastern Canada, crops generally have been turning out well. This and the guaranteed price for wheat in both the East and the West means assured purchasing power for the grain growers. On the other hand, some complaints are heard that prices of cattle and hogs are lower than a year ago.

Generally speaking, the returns to the farming section of the community should be fairly good.

* * * *

Although midsummer is not a season when great expansion is expected, it is evident that business generally this summer has been making good progress. There has been seasonal reduction in sales of some lines of merchandise, it is stated, as for instance, furniture. But on the other hand, those lines which are normally in demand in the holiday season are showing a degree of activity, especially recently, which compares favorably with a year ago. Cool weather in the first part of July restricted the holiday trade somewhat. Many Canadians delayed buying summer goods.

At certain of the summer resorts, fishing guides, boat liveries and people having cottages and cabins to rent, were complaining of the lack of business. Visitors from the United States were declared to be less numerous than usual, because, it appeared, of cool weather and the competition of the two large exhibitions in the United States. Total entries of United States cars into Canada at border points in the first half of the year were fewer than last year. All this appears to have changed in recent weeks, although definite figures are not available. Tourists from abroad seem more numerous and Canadians have been buying summer and sports goods which earlier they had refrained from buying.

* * * *

While the European situation has not been on the minds of the average person quite so much in recent weeks, it is still a factor tending to curtail enterprise, especially among businessmen of the more cautious type. The next six weeks, for this reason, may see some uncertainty develop.

## Business Indicators

**Current business** seasonal, with D.B.S. weekly index down fractionally from previous week, but higher than last year.

**Retail sales** in June higher than year ago and previous month; wholesale sales slightly lower in both comparisons.

**Railway carloadings** for week ended July 29, higher than last year. Total for year to date down 1% from 1938.

**Railway earnings** for week ending July 31 higher for both roads. Cumulatives for year to date up 0.6% and 1.5% for Canadian National and Canadian Pacific respectively.

**Coal production** in June higher than year ago. Cumulative for six months down 2.2%. Coal imports for June and for six months lower than year ago.

**Livestock sales** in July below 1938 levels for both cattle and hogs. Cumulatives for year to date up 2.5% and down 12.6% respectively.

**Cotton imports** for June higher than year ago. Cumulative for six months down 16.4%.

**Rubber imports** in June lower than year ago. Total for six months up 16.2%.

**Sugar grindings** for four weeks to July 15 lower than year ago. Cumulative for six months up 4.7%.

**Trend of business** shown by The Financial Post Business Index and following key factors, new items for week being marked thus ▲.

| | July 28 | July 22 | July 15 | July 8 | July 1 | July 29/38 |
|---|---|---|---|---|---|---|
| Commodity prices | 72.1 | 72.5 | 72.8 | 73.2 | 73.3 | 78.0 |
| Weekly index | 108.0 | 108.3 | 107.5 | 107.3 | 107.4 | 106.8 |
| | | June | May | Apr. | Mar. | Year Ago |
| Financial Post index | | 118.9 | ■116.3 | 113.2 | 112.1 | 110.2 |
| Retail index no. of sales | | ▲85.1 | 80.8 | 79.0 | 76.2 | 82.2 |
| Dept. store " | | 72.0 | 75.2 | 75.7 | 71.7 | 74.4 |
| Wholesale " | | ▲99.1 | 101.4 | 87.1 | 87.4 | 100.1 |
| Country (% change fr. last yr.) | | .... | .... | —2.8 | —7.6 | .... |
| **Employment D.B.S. Index—** | | | | | | |
| | | June 1 | May 1 | Apr. 1 | Mar. 1 | Year Ago |
| All industries | | 113.1 | 106.2 | 104.9 | ▲106.5 | 111.9 |
| Manufacturing | | 111.4 | 108.4 | 107.1 | 107.0 | 112.3 |
| Wage earners, No. (000) | | .... | .... | 2,186 | 2,161 | 2,163 |
| Living costs♦ | | $16.92 | $17.02 | $17.04 | $17.07 | $17.43 |

| | | | Jan. 1 to date | | % |
|---|---|---|---|---|---|
| **Railways—** | 1939 | 1938 | 1939 | 1938 | Change |
| Carloadings, week (July 29) | ▲45,588 | 43,742 | 1,299,286 | 1,314,619 | —1.1 |
| C.N.R. gross, week (July 31) $ | ▲5.221,390 | 4,732,931 | 103,245,172 | 96,936,176 | +0.6 |
| C.P.R. gross, week (July 31) $ | ▲4,077,000 | 3,750,000 | 73,464,000 | 72,376,000 | +1.5 |
| C.P.R. net revenue (June) $ | 1,063,318 | 511,408 | 5,351,243 | 2,681,028 | +99.7 |
| C.N.R. net revenue (June) $ | •12,095 | •770,582 | •505,417 | •5,679,982 | ..... |
| **Iron and Steel** (June)— | | | | | |
| Pig iron production (tons) | 52,805 | 64,375 | 296,521 | 404,158 | —26.6 |
| Steel ingots and castings prod. (tons) | 107,902 | 109,000 | 580,141 | 670,340 | —13.4 |
| **Automobiles** (Number)— | | | | | |
| Passenger Cars: | | | | | |
| Domestic sales* (June) | 8,610 | 9,197 | 54,408 | 60,825 | —10.5 |
| Factory output (June) | 10,585 | 11,014 | 69,968 | 76,102 | —8.0 |
| Trucks and Buses: | | | | | |
| Domestic sales* (June) | 2,335 | 2,386 | 13,488 | 15,570 | —13.4 |
| Factory output (June) | 3,930 | 3,718 | 23,787 | 26,056 | —8.7 |
| Exports (June) | 6,046 | 5,806 | 34,763 | 34,971 | —0.6 |
| Financing (June): | | | | | |
| Used $ | 4,231,180 | 4,455,952 | 18,040,248 | 19,703,805 | —8.4 |
| New $ | 3,213,307 | 3,817,376 | 15,455,413 | 20,225,590 | —23.6 |
| **Construction—** | | | | | |
| Contracts awarded (July) | $▲22,129,700 | 21,158,200 | 105,575,600 | 101,810,200 | +3.7 |
| Cement, bbls (May) | 550,890 | 545,210 | 1,267,776 | 1,418,414 | —10.6 |
| **Agriculture—** | | | | | |
| Flour prod., bbls. (June) | ▲1,187,875 | 969,207 | 6,822,351 | 5,511,129 | +23.7 |
| Flour exp., bbls. (June) | 401,189 | 299,503 | 2,223,298 | 1,651,331 | +34.6 |
| Wheat exp., bus. (June) | 14,637,016 | 7,275,376 | 51,313,467 | 25,783,863 | +99.0 |
| Cattle sales (July) | ▲61,220 | 64,127 | 397,686 | 387,976 | +2.5 |
| Hog sales (July) | ▲42,144 | 43,619 | 358,138 | 409,863 | —12.6 |
| **Sea Fisheries: (June)‡** | | | | | |
| Catch, cwts. | 968,490 | 871,660 | 3,847,520 | 3,144,290 | +22.3 |
| Landed value | 2,235,320 | 2,144,340 | 6,024,280 | 6,118,210 | —1.5 |
| **Newsprint** (tons)— | | | | | |
| Production (June) | 240,545 | 201,694 | 1,341,064 | 1,259,871 | +6.4 |
| Exports (June) | 244,655 | 194,520 | 1,215,118 | 1,103,286 | +10.1 |
| **Mining and Oils—** | | | | | |
| Coal prod., tons (June) | ▲1,070,984 | 930,971 | 6,762,325 | 6,914,109 | —2.2 |
| Coal imports, tons (June) | ▲1,371,651 | 1,617,744 | 3,865,946 | 4,977,731 | —24.3 |
| Gold prod., fine oz. (May) | 432,359 | 381,089 | 2,055,662 | 1,827,475 | +11.9 |
| Nickel prod., lb. (May) | 21,595,362 | 18,620,908 | 90,046,906 | 92,667,972 | —2.8 |
| Copper prod., lb. (May) | 55,364,021 | 48,429,331 | 246,654,672 | 243,558,959 | +1.2 |
| Crude oil prod., bbls (May) | 713,450 | 566,086 | 2,544,472 | 2,381,771 | +6.8 |
| Crude oil imp., bbls. (May) | 3,643,657 | 3,801,000 | 9,753,514 | 9,519,708 | +2.0 |
| **Electric Power Output** (June)— | | | | | |
| Total monthly m.k.w.† | 2,245,329 | 1,973,155 | 13,743,003 | 12,718,377 | +8.0 |
| **Foreign Trade—** | | | | | |
| Imports (June) $ | 63,709,402 | 58,946,698 | 321,079,319 | 336,692,235 | —4.6 |
| Exports (June) $ | 94,501,380 | 78,307,834 | 467,262,255 | 415,679,647 | +12.4 |
| **Other Industrial Factors—** | | | | | |
| Dressed lumber exp.: M. bd. ft. (June) | 205,851 | 166,177 | 929,854 | 756,092 | +22.9 |
| Shoes, prod., pr. (May) | 2,038,517 | 1,923,773 | 9,399,098 | 9,232,083 | +1.8 |
| Cotton imports, lb. (June) | ▲15,309,000 | 9,546,000 | 53,564,000 | 64,106,000 | —16.4 |
| Raw rubber imp., lb. (June) | ▲5,079,000 | 7,264,000 | 29,446,414 | 25,345,374 | +16.2 |
| Cigarette cons. (June) No.† | 657,890 | 631,524 | 3,293,214 | 3,231,858 | +1.9 |
| Sugar manufactured, lb.§ | ▲85,837,830 | 86,266,450 | 387,788,743 | 370,140,908 | +4.7 |
| **Finance—** | | | | | |
| Bank debits (June)† | 2,831,082 | 2,730,578 | 15,133,304 | 14,585,069 | +3.7 |
| Bond sales (June) | $105,457,968 | 65,510,687 | 796,070,231 | 627,102,237 | +26.9 |
| Life insurance (June) | $ 35,766,000 | 35,120,000 | 192,543,000 | 190,049,000 | +1.25 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to July 15, 1939.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week food, fuel, rent. ■Revised. •Deficit.

To Investors in Bonds

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# Market Plans Stir Criticism

### Alberta Manufacturers Balk at Percentage Levy Idea

From Our Own Correspondent

EDMONTON.—Contracts between Alberta manufacturers and the Provincial Government to cover marketing of Alberta-made goods were proposed recently by the Government to start into the marketing business. But terms of the proposed agreements have become a source of controversy and Government-manufacturer negotiations still are continuing.

Several weeks of discussion have failed to produce agreement.

The contracts would cover deals promoted by the provincial marketing board and call for manufacturers to pay a fixed percentage of their net selling price of all Alberta-made goods sold within the province. This, the board states, is to defray Government costs of promoting demand for province-manufactured goods and "services rendered to the manufacturers" by the Government.

**Credit House Tie-up**

Some manufacturing firms object to the clause of the agreement which refers to services which the Government is giving to manufacturers, and adds that such services are "rendered for the purpose of stimulating a greater demand for Alberta-made goods by the bonus to ultimate consumers purchasing such goods by the use of Province of Alberta treasury branch vouchers."

The plan calls for manufacturers to use treasury branch vouchers for payments for raw materials, salaries, wages and other expenses when such transfer vouchers are acceptable to all parties concerned.

The Government agrees to purchase available made-in-Alberta goods bearing the provincial trademark "providing that the quality is equal to, and the price of same is not higher, than that of similar goods marketed in competition." The Government also would offer banking services through credit houses provided manufacturers accept vouchers.

**To Sell Farm Machine Parts**

Manufacture and distribution of "certain farm machinery parts" in Alberta is the latest move of the provincial marketing board. It has been announced that the province will distribute these at reduced prices to meet farmers' requirements for repair parts for the coming harvest.

George A. Clash, chairman of the marketing board, returned recently from manufacturing centres of eastern Canada and United States where he obtained rights to manufacture some of the repair parts in Alberta. He also arranged for purchase of a quantity of parts.

**Big Line Involved**

Government purchases of parts involved 25,000 pieces covering 540 lines. While offering parts at reduced prices, the board has reserved a margin of profit on sales to cover overhead expenses.

Mr. Clash claimed savings to farmers on these parts will be from 15 to 35% of machine companies' list prices. Farmers must pay cash. Distributing depots will be established at Edmonton, Red Deer, Calgary and Lethbridge, and are expected to open toward the end of August.

Machine company officials believe that the Government will be "stuck" on the parts project. Past experience indicates farmers complete necessary machine purchases several weeks in advance of harvest which gets under way in this province about the end of the month.

**Other Provinces Too**

From Our Own Correspondent

WINNIPEG. — Creation of farm machinery repair agencies under government sponsorship will be undertaken in both Manitoba and Saskatchewan, followiing action already taken by the Alberta Government, it is learned here.

Manitoba and Saskatchewan are expected to leave the actual business to farmers' co-operatives. In Manitoba the project will likely come under the auspices oof the new farm federation, recently created in a merger of all farm co-operatives.

**Joint Orders**

The plan will be for the three provinces to place joint orders for machine parts and repairs, distributing them to farm customers at a price saving made possible by mass orders. Supporters of the scheme plainly look forward to early extension of the sales agency scheme to the whole business of farm implements on the prairies, once one of the most lucrative trades in the West. In the more distant future, the prospect of buying factories or establishing them in the West is seen.

The whole project has been canvassed at inter-provincial meetings, it is learned, and general agreement was reached not long ago at a session of the ministers of agriculture, Hon. D. L. Campbell, Manitoba, Hon. J. G. Taggart, Saskatchewan, and Hon. D. B. Mullen, Alberta.

# Power Corp. Operations Show Increased Output

From Our Own Correspondent

MONTREAL.—Power Corp. and subsidiary companies report an output in June of 201,768,977 kw.h. This represents an increase of 10.9% over June last year.

This was the eleventh consecutive increase in the monthly totals. Featured in the returns are substantial increases in output reported by Southern Canada Power and Winnipeg Electric.

For the half year ended June 30, production by the six companies in the group totalled 1,278 million kw.h., an increase of 9.9%. The widest gain on the period is that of Winnipeg Electric, followed by Southern Canada Power.

June
(Kilowatt Hour Output)

| | 1939 | 1938 |
|---|---|---|
| S. C. Power | 21,287,980 | 15,318,470 |
| Can. Northern | 61,441,096 | 56,850,782 |
| E. Kootenay | 8,285,444 | 9,148,428 |
| B. C. Power | 44,100,329 | 40,734,333 |
| N. B. C. Power | 997,428 | 989,020 |
| Wpg. Electric | 65,656,700 | 58,824,700 |
| **Six Months to June** | | |
| | 1939 | 1938 |
| S. C. Power | 126,999,600 | 113,375,110 |
| Can. Northern | 369,382,971 | 344,050,177 |
| E. Kootenay | 45,720,778 | 50,010,314 |
| B. C. Power | 291,645,771 | 278,955,782 |
| N. B. C. Power | 5,766,040 | 5,712,240 |
| Wpg. Electric | 438,366,600 | 370,469,200 |

*FORDS IN SOUTH AFRICA*

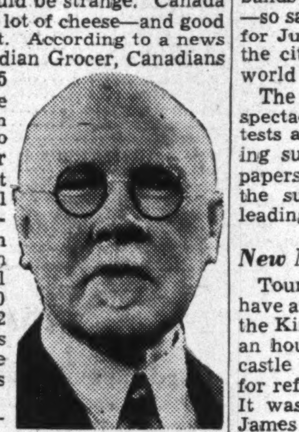
The Government-owned South African airports have purchased Canadian-made Ford trucks as airport crash tenders. The five units purchased were ordered through Ford Motor Co. of South Africa, Ltd., made in Windsor, Ont., and assembled at the Elizabeth, S.A., plant of Ford of Canada's South African subsidiary. These units are equipped with water pumps, chemical extinguishers and other fire-fighting apparatus as well as equipment to aid accident victims.

# Keeping Posted

### Veteran Business Commentator Shares His Wide Reading With Businessmen

By J. C. KIRKWOOD

If Canadians did not eat a lot of cheese, it would be strange. Canada makes such a lot of cheese—and good cheese at that. According to a news item in Canadian Grocer, Canadians ate 40,555,515 lb. of cheese in 1938, which works out to 3.62 lb. per capita. Yet the total cheese production in Canada in 1938, a total of 122,415,900 lb., was 7.2 per cent less than in the previous year.



J. C. KIRKWOOD

An indicated remedy is more advertising of cheese to Canadian consumers, if production is to be raised, and farmers are to get a better "break."

* * *

***Private Brands***

Here's another interesting item taken from the same issue of Canadian Grocer. There has been a steady growth in United States in the number of "voluntary" grocery chain groups which carry complete lines of merchandise under their own labels — in other words, private brands. Out of a total of 156 retailer-owned voluntary chains, 68 carry complete lines of their own private label merchandise.

In Canada there is a large number of makers of branded food products doing very little consumer advertising — a circumstance favorable to retailers promoting the sale of private brand products. A business enterprise protects both its present and its future by advertising its branded product to consumers.

* * *

***Chilling Skins***

The hide of a cow or sheep or horse is made better by putting it in a refrigerator. This I learn from Modern Power and Engineering, in an article telling about the Robson Leather Co., Oshawa, said to be one of the largest companies of its class in the British Empire.

An average of 500 hides are brought in each day from other parts of the factory, or from out of doors, for cooling in a special refrigeration room, where the temperature is 34 deg. Fahr. This chilling of the hides slows up the rate of deterioration, resulting from chemical reaction and bacteria formations.

* * *

***Transit Problems***

Norman D. Wilson, in the July issue of Bus and Truck Transport in Canada, deals with the problems of transit in Canadian cities and towns.

"Some law of human fatigue," notes Mr. Wilson, "stipulates that about one hour at night and morning, winter and summer, spent getting from home to work, and from work to home, is the governing factor in all communal life."

"The bus," he adds, "is joint heir to all that inheritance of mechanical design, new materials, production methods, sales and service distribution, sales financing, road development and advertising."

* * *

***A Happy Man***

One does not have to be Channing Pollock's age (58) to enjoy his book, "The Adventures of a Happy Man," (Crowell). I want to recommend it to all my readers who like contemplative books—books that stir the soul and spur the will, and that lift one above troubles and anxieties.

Pollock, as many of my readers may know, is a very famous American playwright and author. "The Fool" is perhaps his best-known play. In his new book he says:

> "I have never been unhappy a whole hour in my life. This does not mean that I haven't been poor, or cold, or hungry, or afflicted with most of the other trials common to humanity. It means that I have learned to regard what happens as up to me, and therefore to believe that, when unpleasant things befall, I shall dig my way out."

This book is a fine one to give to one's friends. It ought to be an often-chosen book this coming Christmas by men who want to give others something which will be treasured for its power to restore waning courage, and to give genuine enjoyment.

* * *

***Capturing Attention***

The letters "B.C." stand for more than "British Columbia." They may signify "bright conception." Take the retailers of Vancouver by way of illustration. Their bright conception is to join together to advertise tunefully and otherwise the advent of autumn. On September 22 six bands will march and counter-march —so says Men's Wear Merchandising for July—"in the downtown area of the city for three hours, to tell the world that Fall has come."

The bands will be supplemented by spectacular window displays, contests and extensive special advertising supplements in all local newspapers. This co-operative effort has the support of a majority of the leading stores.

* * *

***New Mecca***

Tourists in and to New Brunswick have a new mecca—Doaktown. There the King and Queen stopped for half an hour when motoring from Newcastle to Fredericton. They stopped for refreshments at the Gilks House. It was better than knighthood for James Gilks. The market value of his hotel has surely been greatly increased. A hotel has to live up to the level of its fame. I found this item about Doaktown and the Gilks House in the July issue of Canadian Hotel Review and Restaurant, in an article headed, "Small Hotels and Restaurants Show Public Relations Skill."

* * *

***Silk Stockings***

It appeared first in The Post. Then The Stylewear Buyer seized it and gave it another push into my eyes—the fact that Canada leads the world as an exporter of silk hosiery. The 1938 output was 2,840,000 dozen pairs.

Canadian hosiery mills exported to 34 different countries last year, principally to the United Kingdom, British South Africa and New Zealand. South Africa took four times as many pairs as did the United Kingdom, so did New Zealand.

* * *

***100,000 Investments***

The caption and the illustration of the Metropolitan Life Insurance Co.'s advertisement in the August 1 issue of Maclean's "got" me. The illustration showed a man gazing perplexedly at a display of bags of gold, piles of banknotes and pillars of coins. The caption was: "If You Had a Million." I suppose that most of us have contemplated an answer to this question or one like it—especially after, or just before, the publication of sweepstakes results.

"At the end of 1938," says this advertisement, "Metropolitan held more than 100,000 carefully selected, diversified investments." Suppose an individual had 100,000 diversified investments. It would hardly be conducive to longevity to have to watch 100,000 investments!

* * *

***Profitable Honeymoon***

I heard a good story the other day. A man went off to Europe on his honeymoon, to be gone two months. He sold all his speculative stocks, so that he would not have distractions when away, and he put the proceeds into International Nickel. (This was several years ago). When he got back to New York, he looked up Nickel. He thought that the figures were a misprint, but further check confirmed the figures. His Nickel holdings had increased his fortune by over $60,000!

"Had I been home, I would have sold my Nickel holdings long before they reached the figures I found on my return," the lucky chap said.

That was a honeymoon worth while!

* * *

***Light and Color***

"One shop in probably the most modern building in the world finds that light colors and streamlined furniture bring in customers," reports an article in the July issue of Bookseller and Stationer. The location of this store is in Rockefeller Centre, New York. Special emphasis is placed on lighting in the shop, and heavy spotlights from the ceiling of each window dramatize the displays. The entire color scheme of light cream is declared to be a perfect background for typewriters prominently featured in this shop.

# Finance Dept. Offering Small House Designs

First in a new series of small house designs being made available by the housing administration of the department of finance is a single-floor unit adaptable to addition of a second floor with two extra bedrooms. Four sets of working drawings and specifications for the house, which is in Cape Cod style, are obtainable from the housing administration at Ottawa at nominal price of $10 a set. The design (No. 501) provides living room, dining alcove, kitchen, bath and one bedroom. Plans allow for use of standard materials, with option of wood or stucco exterior.

# Tax Collection Continues Upward

### Canadian Municipalities Show Improvement in 1938 Survey

The upward trend in municipal tax collections which first made itself felt in 1934, continued in 1938, the Citizen's Research Institute concludes in a study covering 246 urban and suburban municipalities in the Dominion, with a combined population of 5.2 millions.

Total current levy of these municipalities was $198.6 millions for municipal and school purposes. Uncollected taxes for current and previous year amounted in 1938 to $72.9 millions, or 36.7% of current levy. In 1937 this figure was 39.5%; in 1936, 42.7%; 1935, 48.8%; 1934, 50.7%; 1933, 51%; and 1930, 31%.

The Institute recommends modernization of tax collection machinery by introduction of frequent installments and a system of prompt follow-up of taxes not met on due dates.

The Institute notes that of 67 municipalities surveyed, 56 municipalities collected a higher percentage of current tax levy in 1938 than in 1937.

In the municipalities for which complete municipal and school information is available, Vancouver had the best record of collections of current levy in 1938, with only 7.5% remaining uncollected at the end of the year. Woodstock, Ont., was next with 8.3%, followed by St. Hyacinthe, 9.3%; Peterborough, 9.5%; Ottawa, 9.7%; Fort William, 11%; Kingston and Port Arthur, 11.2%.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

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Manufacture almost every conceivable item of Metal Household Equipment from Enameled Utensils to Steel Ice Refrigerators, and
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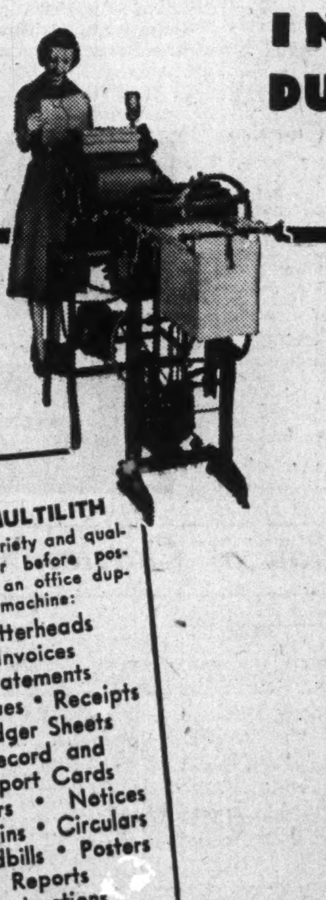

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## Bank of Canada Weekly Statement

An increase of almost $3 millions in note circulation is shown in the report of the Bank of Canada for the week ended Aug. 2. This probably reflects a greater demand for money owing to summer spending. Deposits of the Dominion Government with the central bank were up $2 millions, while reserve of sterling and United States currencies was up almost about $3 millions. These changes appeared to reflect sale of gold by the central bank for the Dominion Government. Investments were up about $1 million.

**Balance Sheet**

| | Aug. 2 1939 | July 26 1939 |
|---|---|---|
| **Liabilities** | $ | $ |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 171,716,158 | 168,931,417 |
| Rest fund | 1,903,515 | 1,903,515 |
| Depos.: Dominion | 29,837,493 | 27,840,975 |
| Banks | 203,519,795 | 206,144,737 |
| Other | 5,754,895 | 4,713,641 |
| Total deposits | 239,112,183 | 238,699,353 |
| All other liabs. | 3,494,679 | 1,831,627 |
| Total liabs. | 421,225,535 | 416,365,912 |
| **Assets** | | |
| Reserve: Gold | 205,159,195 | 205,319,295 |
| Res. in sterling and U. S. | 45,368,661 | 42,227,721 |
| Other curr. | 679 | 754 |
| Total reserve | 250,528,535 | 247,547,770 |
| Subsidiary coin | 415,907 | 388,935 |
| Investments: | | |
| Dom. govt. short | 113,289,353 | 112,541,796 |
| Other Dom. govt | 51,461,287 | 51,250,468 |
| Total invest. | 164,750,640 | 163,792,264 |
| Premises | 1,659,585 | 1,659,100 |
| All other assets | 3,870,868 | 2,977,843 |
| | 421,225,535 | 416,365,912 |
| Reserve ratio | 60.98% | 60.72% |

## Jamaica Public Service Net Above 1938 Returns

From Our Own Correspondent

MONTREAL. — Jamaica Public Service reports consolidated operating revenue in June of $79,077 as against $78,047 for the same month last year. After providing for all charges, including interest and amortization, net income for the month totalled $16,932, compared with $13,286 a year ago.

Cumulative returns for the 12 months ended June 30, 1939, show an operating revenue of $978,000, a gain of $68,237 over the previous 12 months. The net operating revenue at $397,549 was $31,106 higher than in the previous year. After prior charges, net income totalled $206,138, as against $182,300 for the year ended June 30, 1938.

THE
WAWANESA
Mutual Insurance Co.
Assets ..... $2,234,188.78
Surplus .... 1,057,853.38
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

United States
Fidelity & Guaranty
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THE
LONDON & LANCASHIRE
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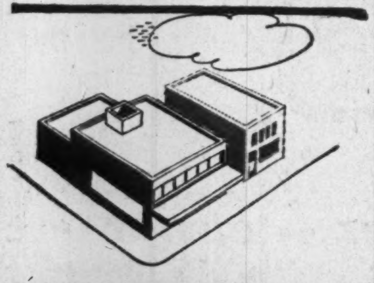


SELECT PROPERTY
is Worthy of
SELECT COMPANY

If your property conforms to the highest standards of fire protection, it is entitled to the benefits of association with other select fire risks.

Northwestern Mutual policyholders enjoy liberal annual dividends because they have reduced their annual fire losses below those of the average company.

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
Toronto, Hamilton, Ottawa, Halifax, St. John, Quebec City, Montreal, Moncton, Winnipeg, Saskatoon, Edmonton, Calgary, Kelowna, Victoria, Nanaimo, Vancouver.

*Banking*

# Commercial Loans Hold Above Level Year Ago

### Call Loans and Loans to Provinces Are Lower — Savings Deposits Again Establish New High Record — Credit Index Lower

Current loans in Canada on June 30 amounted to $821 millions, an increase of $64,686 over the previous month, according to the regular monthly return of the Canadian chartered banks to the Minister of Finance. Compared with June, 1938, total reflects an increase of $35.6 millions.

The fact that the increase over the previous month was so small, is probably due to the fact that borrowing by business during the month was offset by liquidation of wheat loans, as wheat and flour were exported.

Call loans in Canada were down some $2.6 millions from the previous month and down $16.9 millions from the previous year. The decrease reflects the smaller activity on the stock exchanges and other speculative markets during the month.

Borrowing by provinces and municipalities was also lighter than in the previous month. This is a condition frequently seen in June when the returns from the tax collections are being received. Loans to municipalities on the other hand while lower than in May were up nearly $800,000 over 1938.

Total loans in Canada at a little over $1 billion were down $9.3 millions from May but up $18.5 millions from last year.

Though total deposits showed an increase over both the previous month and last year The Financial Post Credit Index, which is the ratio of current and call loans in Canada to demand and savings deposits in Canada, declined fractionally from the previous month from last year to 36.6.

**Foreign Deposits Up**

The increase in demand deposits was $17.9 millions over May and in savings deposits $2 millions to new high records. Part of this increase is probably due to further movement of European capital to this country. Deposits of foreign currencies in Canadian banks not included in Canadian deposits increased $7.5 millions during the month to $97.3 millions.

Note circulation of the chartered banks increased $7 millions during the month to $97 millions. It was down $6.5 millions from last year.

Total investments at $1.5 billions were up $20.9 millions from May and $63.2 millions from June, 1938.

**Use of Bank Credit in Canada**
(In Millions of Dollars)

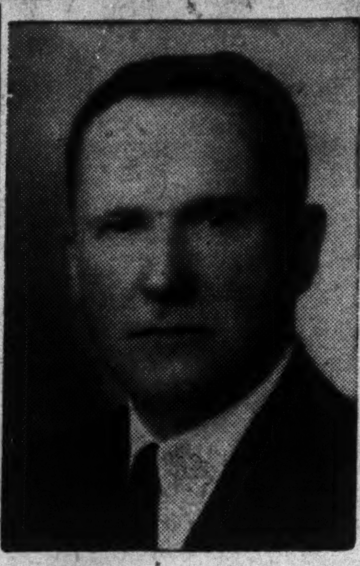
| | June, 1939 | May, 1939 | Change | June, 1938 | Change |
|---|---|---|---|---|---|
| Loans | 1,009.2 | 1,018.5 | —9.3 | 990.7 | +18.5 |
| Investments | 1,525.3 | 1,504.4 | +20.9 | 1,462.1 | +63.2 |
| Total | 2,534.5 | 2,522.9 | +11.6 | 2,452.8 | +81.7 |
| Deposits | 2,382.6 | 2,362.6 | +20.0 | 2,310.7 | +71.9 |
| Credit index* | 36.6 | 37.1% | —0.5 | 37.0 | —0.4 |

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

**ASSETS**

| | June, 1939 | May, 1939 | Change | June, 1938 | Change |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Immediately Available Liquid Assets** | | | | | |
| Canadian coin | 5,311,687 | 6,026,933 | —715,246 | 4,982,342 | +329,345 |
| Bk. of Can. notes | 45,097,769 | 54,661,201 | —9,563,412 | 46,080,853 | —983,064 |
| Bk. of Can. depos. | 204,082,549 | 205,355,441 | —1,272,892 | 195,446,590 | +8,635,959 |
| Bank's cash | 254,492,025 | 266,043,575 | —11,551,550 | 246,509,785 | +7,982,240 |
| Other bank notes | 5,015,070 | 5,777,853 | —762,783 | 5,448,964 | —433,894 |
| Gold & sub. coin abd. | 5,793,697 | 5,866,982 | —73,285 | 4,638,784 | +1,154,913 |
| Foreign banks | 244,648,918 | 224,200,269 | +20,448,649 | 120,779,453 | +123,869,465 |
| Foreign curr. | 29,942,374 | 31,844,046 | —1,901,672 | 28,290,791 | +1,651,583 |
| Gov. sec. short term | 454,551,563 | 444,067,647 | +10,483,916 | 436,888,418 | +17,663,145 |
| Do., long term | 757,633,856 | 753,787,512 | +3,846,324 | 719,496,306 | +38,137,530 |
| Call loans abroad | 41,913,431 | 49,677,624 | —7,764,193 | 53,210,149 | —11,296,718 |
| | 1,793,990,914 | 1,781,265,508 | +12,725,406 | 1,615,262,650 | +178,728,264 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 104,035,827 | 104,035,824 | +3 | 110,950,858 | —6,915,031 |
| Public secs.▲ | 80,479,923 | 77,500,216 | +2,979,707 | 60,583,515 | +19,896,408 |
| Other secs. | 128,594,624 | 125,069,089 | +3,525,535 | 134,218,772 | —5,624,148 |
| Can. call loans | 52,454,170 | 55,120,863 | —2,666,693 | 69,381,551 | —16,927,381 |
| Current loans | 821,609,936 | 821,545,250 | +64,686 | 785,974,554 | +35,635,382 |
| Loans abroad | 144,038,405 | 141,131,168 | +2,907,237 | 181,339,505 | —37,301,100 |
| Prov. loans | 18,511,342 | 21,837,870 | —3,326,528 | 19,498,371 | —987,029 |
| Mun. loans | 116,712,778 | 119,972,976 | —3,260,198 | 115,917,057 | +795,721 |
| | 1,466,437,005 | 1,466,213,256 | +223,749 | 1,477,864,183 | —11,427,178 |
| **Other Assets** | | | | | |
| Non-curr. loans | 8,979,027 | 8,967,375 | +11,652 | 9,991,660 | —1,012,633 |
| Real estate | 7,911,970 | 7,872,787 | +39,183 | 8,336,905 | —424,935 |
| Mortgages | 4,133,052 | 4,204,978 | —71,926 | 4,415,777 | —282,725 |
| Premises | 72,051,680 | 72,242,133 | —190,453 | 73,471,985 | —1,420,305 |
| Letters of credit | 53,421,218 | 52,255,459 | +1,165,759 | 59,043,363 | —5,622,345 |
| Loans to comp. | 11,507,495 | 11,566,700 | —59,205 | 11,455,350 | +52,145 |
| Other assets | 2,292,516 | 2,351,220 | —58,704 | 2,310,438 | —17,922 |
| | 160,296,958 | 159,460,652 | +836,306 | 169,025,678 | —8,728,720 |
| Total | 3,420,724,877 | 3,406,939,416 | +13,785,461 | 3,262,152,511 | +158,572,366 |
| Note circ. dep. | 5,618,983 | 5,494,064 | +124,919 | 6,144,958 | —525,975 |
| Int. bank bal. | 148,211,668 | 108,645,428 | +39,566,240 | 130,241,393 | +17,970,275 |
| Gross | 3,574,555,643 | 3,521,078,908 | +53,476,735 | 3,398,538,862 | +176,016,781 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 97,346,073 | 90,295,577 | +7,050,496 | 103,925,690 | —6,579,617 |
| Dom. Govt. | 94,739,294 | 114,024,712 | —19,285,418 | 98,372,323 | —3,633,029 |
| Prov. Govt. | 64,526,348 | 47,498,284 | +17,028,064 | 49,829,873 | +14,696,475 |
| **Deposits by Public** | | | | | |
| Demand dep. | 702,232,175 | 684,281,640 | +17,950,535 | 689,941,578 | +12,290,597 |
| Savings dep. | 1,680,377,190 | 1,678,363,561 | +2,013,629 | 1,620,819,977 | +59,557,213 |
| Total | 2,382,609,365 | 2,362,645,201 | +19,964,164 | 2,310,761,555 | +71,847,810 |
| Foreign dep. | 503,737,167 | 484,393,814 | +19,343,353 | 409,569,736 | +94,167,431 |
| **Due to Banks Abroad, Etc.** | | | | | |
| United Kingdom | 13,736,391 | 14,109,121 | —372,730 | 12,524,196 | +1,212,195 |
| Foreign | 46,586,574 | 42,836,971 | +3,749,603 | 42,195,219 | +4,391,355 |
| Bills payable | 207,962 | 85,382 | +122,580 | 251,511 | —43,549 |
| Letters of credit | 53,421,218 | 32,255,459 | +1,165,759 | 59,043,563 | —5,622,345 |
| Other liabs. | 3,441,775 | 3,532,301 | —90,526 | 2,964,388 | +477,387 |
| Total public liabs. | 3,260,352,167 | 3,211,676,822 | +48,675,345 | 3,089,438,054 | +170,914,113 |
| Due bet. banks | 20,027,440 | 14,943,723 | +5,083,717 | 15,966,159 | +4,061,281 |
| **Liability to Shareholders** | | | | | |
| Dividends | 1,398,694 | 2,194,141 | —795,447 | 1,397,993 | +701 |
| Reserve | 133,750,000 | 133,750,000 | ........ | 133,750,000 | ........ |
| Capital | 145,500,000 | 145,500,000 | ........ | 145,500,000 | ........ |
| Gross | 3,561,028,352 | 3,508,064,686 | +52,963,666 | 3,386,052,206 | +174,976,146 |

▲Other than Canadian.



*PRESIDENT*

W. A. Finlay, assistant manager of The Canadian Bank of Commerce, Toronto branch, has been appointed president of The Canadian Bank of Commerce (California), with head office in San Francisco. This is a state bank controlled by The Canadian Bank of Commerce. He is succeeded by N. J. McKinnon, hitherto inspector at head office.

## Insurance Notes

E. M. Blackie, B. R. Hooper and W. F. Thorne, formerly assistant superintendents of agencies of the London Life Insurance Co., have been appointed superintendents. Mr. Blackie will be in charge of the company's ordinary agencies east of the Great Lakes. Mr. Hooper is in charge of ordinary business west of the Great Lakes and Mr. Thorne is in charge of all industrial agencies. M. G. Hallam, H. J. Bentley and J. A. D. Henderson have been appointed assistant superintendents of agencies. The first two will be associated with the industrial branch and Mr. Henderson with the ordinary branch.

* * *

Notice has been given that the T. Eaton General Insurance Co. has ceased to transact business, all of its policies having expired and all its liabilities settled. It will accordingly apply to the Minister of Finance for release of its securities on deposit with the Government.

* * *

New life insurance sales for the first six months of 1938 in the United States at $3.8 billions were 3.9% above those of 1938. New ordinary business at $2.6 billions was up 14.1%. Industrial insurance was down 33% and group was up 77%.

For June, new business of 40 companies was $729 millions against $597 millions, a gain of 22.1%. New ordinary insurance at $406 millions was up 6.4%.

* * *

Fred W. Snyder, managing director of the Economical Mutual Fire Insurance Co., was recently honored by his associates with a surprise dinner to celebrate completion of his 38th year with the company. "Economical Fred," as he is familiarly called by his close friends, joined the company on July 22, 38 years ago. His addition to the staff made the total personnel number seven. Today it is over fifty.

Harvey J. Sims, chairman of the evening, reviewed the history of the company from its early days until the recent absorption of the Merchant's Casualty Company. Members of the board of directors and heads of the various insurance departments added their good wishes to those of the chairman.

## Toronto Brokers' Loans Slightly Higher in July

Borrowings on collateral of members of the Toronto Stock Exchange as of July 31, 1939, totalled $15.8 millions, an increase of $52,356 from the previous month. At the same time quoted market valuations of all stocks listed on the exchange was $4,676.2 millions, an increase of $218.8 millions over a month earlier, making the ratio of borrowings to market values 0.34%.

*Insurance*

# Average of Life Policies Sold in June is $2,120

### Survey by American Life Convention Shows 58% of Buyers in Canada and U. S. Had No Other Insurance

Average life insurance policy applied for by 10,000 persons in Canada and the United States in June was $2,120, according to a survey made by the American Life Convention. Of the total number applying 58% indicated that they had no other insurance.

Only 11% of the new buyers insured with companies with which they had already had insurance while 31% had insurance in force with other companies. This would seem to indicate a lack of follow-up by the agents with whom they had taken their first policies.

**Chief Gains**

Greatest gains compared with a year ago were shown in sales to people engaged in the building trades, machinery (including metal and metal products), manufacturing, automobile sales and service, banking, brokerage offices, insurance and oil production and refining.

Of the 10,000 applicants 1,046 wanted policies of $5,000 or over. The largest average policies were applied for by the following occupational groups, listed in order of the average amount applied for: Oil production and refining, including engineers, executives and owners; doctors, automobile sales agencies, machinery plant executives and owners, and lumber and wood products plants, executives and owners.

Of the 128 social workers applying for new insurance 34 already had insurance. Most of the buyers among the firemen and policemen and defense forces had no other insurance.

Following are the chief classifications:

| | No. of apps. | Average policy sought | Asking $5,000 or over | No. of new buyers | Average ins. owned |
|---|---|---|---|---|---|
| Agriculture | 1,183 | 1,776 | 70 | 891 | 2,303 |
| Automobile sales, service | 577 | 2,474 | 80 | 325 | 3,176 |
| Banking | 84 | 3,196 | 24 | 30 | 5,518 |
| Brokers | 21 | 2,976 | 5 | 11 | 3,450 |
| Insurance | 138 | 4,297 | 37 | 33 | 7,204 |
| Barbers & beauty parlors | 84 | 1,500 | 5 | 57 | 3,314 |
| Laundries, etc. | 85 | 2,041 | 6 | 52 | 3,000 |
| Restaurants | 160 | 1,809 | 15 | 102 | 1,896 |
| Civic & gov't. employees | 115 | 2,308 | 18 | 59 | 3,446 |
| Firemen and police | 67 | 1,656 | 2 | 32 | 2,714 |
| Defense forces | 173 | 1,780 | 11 | 140 | 5,075 |
| Social workers | 128 | 1,382 | 17 | 94 | 2,367 |
| Carpenters | 92 | 1,505 | 3 | 72 | 1,075 |
| Painters | 74 | 1,506 | 4 | 47 | 944 |
| Wood products | 135 | 2,733 | 18 | 76 | 5,847 |
| Machinery plants | 424 | 2,294 | 50 | 162 | 3,393 |
| Printing employees | 115 | 1,760 | 6 | 53 | 1,879 |
| Oil prod'n. | 193 | 2,997 | 30 | 89 | 7,048 |
| Mining | 71 | 1,669 | 3 | 56 | 2,900 |
| Children under 7 | 431 | 1,318 | 48 | 729 | 1,599 |
| Housewives | 707 | 2,592 | 13 | 547 | 1,954 |
| Accountants | 46 | 2,163 | 5 | 18 | 2,803 |
| Advertising | 90 | 2,761 | 16 | 40 | 4,000 |
| Clergy | 26 | 2,826 | 5 | 11 | 3,300 |
| Nurses | 96 | 1,625 | 4 | 75 | 1,880 |
| Doctors | 79 | 8,164 | 49 | 22 | 12,885 |
| Teachers | 267 | 2,039 | 27 | 169 | 2,862 |
| Automotive transport | 174 | 2,011 | 13 | 107 | 3,111 |
| Railway | 124 | 2,024 | 12 | 51 | 3,047 |
| Wholesale and retail trade | 1,599 | 2,236 | 203 | 813 | 3,728 |
| Aviation | 24 | 5,750 | 9 | 5 | 12,842 |

## Insurance Problems

### Hardware Mutuals Group

Please give me some information regarding the Hardware Mutual group of insurance companies. I understand that each of the three companies in the group assumes liability for only one third of any loss occurring. Under the regulations relating to mutual companies, to what extent is the insured liable for assessments if the companies suffer disastrous fire losses?

The Hardware Mutual group, which includes the Hardware Mutual Insurance Co. of Minnesota, the Hardware Dealers' Mutual Fire Insurance Co. of Stevens' Point, Wis. and the Minnesota Implement Mutual Fire Insurance Co. is well established in Canada. They have been operating under Dominion license since 1920 and have maintained the required deposits with the Receiver-General for the protection of Canadian policyholders. Being licensed by the Dominion Department of Insurance, their operations are subject to its inspection and regulations. As regards splitting the business of the group among the three companies, this is simply an internal arrangement, common among other groups of companies, to distribute both profits and losses. Possibility of assessment should be shown on the policy contract. If the business is written on the cash mutual plan there would be no assessment. But if on the assessment plan it would be liable for assessment.

"We see time's furrows
on another's brow,
And death intrench'd,
preparing his assault.
How few themselves
in that just Mirror see!"
Young.

Plan
Security through
Life Assurance

Sun Life of Canada
HEAD OFFICE MONTREAL

Do your Feet trouble you?

Foot trouble sometimes seems to develop suddenly, although the cause may actually have been present for a long time.

The most common foot trouble is the flattening of the long arch that extends from the heel to the big toe—known as "flat foot" or "fallen arch." It is usually caused by "toeing out" or by improper shoes, either of which may put a severe strain upon this arch. When overstrained the arch flattens. One of the first symptoms is a pain in the calf of the leg.

Another common ailment, often accompanied by a troublesome callus, is a painful condition in the ball of the foot. This is frequently due to the sole of a shoe that bends down under the ball of the foot and up at the sides.

Much serious foot trouble may be avoided by wearing shoes and stockings that give satisfaction throughout the day. Shoes can be stylish *and* comfortable. Here are five points to consider in connection with foot comfort:

Is each shoe roomy above the toes, but snug at the heel and over the instep?

Are the shoes a little longer (by inside measurement) than your feet?

Does the sole under the ball of the foot lie flat?

Are you sure the shoes are not too pointed, nor too thin-soled?

Are your socks or stockings too short or too long for the foot?

Excessively high heels, especially the extremely narrow variety, may be responsible for many sore feet, contracted toes, calluses, and even for poor posture among women. Yet a sudden shift to low heels may also cause trouble. The muscles should be accustomed gradually to a lower heeled shoe.

It pays to spend as much time as is necessary to find the type or make of shoe that really suits your particular requirements.

Persons who suffer from severe foot defects should consult a competent foot specialist without delay. Correct treatment and properly constructed shoes can generally restore the foot to full usefulness and may also aid your posture.

In addition, you can do much to improve your posture by holding your body correctly—the back straight, the chin at a right angle with the neck, the shoulders level and the chest up.

The Metropolitan booklet "Standing Up To Life" contains valuable information on the care of the feet and proper posture. It also tells how to overcome many foot ailments and how to safeguard children's feet. A post card or the coupon will bring you a free copy.

METROPOLITAN LIFE INSURANCE COMPANY
Dept. 8-F-39
CANADIAN HEAD OFFICE, OTTAWA
Please send me, free, a copy of your booklet "Standing Up To Life."
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CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

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AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO
Fire and Allied Lines Written in Associated Companies

## Weekly Bank Clearings

| | Aug. 3 1939 | Change Yr. Ago | July 27 1939 |
|---|---|---|---|
| | $ | % | $ |
| Halifax | 2,430,497 | —14.2 | 2,293,447 |
| Saint John | 1,792,111 | —10.9 | 1,755,444 |
| Moncton | 780,770 | +11.0 | 890,903 |
| Sherbrooke | 720,552 | —7.4 | 723,460 |
| Quebec | 4,875,373 | —12.7 | 4,215,441 |
| Montreal | 110,008,381 | —17.5 | 95,250,843 |
| Ottawa | 15,895,130 | —34.1 | 13,904,867 |
| Peterborough | 605,960 | +4.7 | 511,319 |
| Toronto | 111,107,244 | —19.1 | 85,895,725 |
| Hamilton | 5,033,869 | +9.5 | 4,804,228 |
| Kitchener | 1,148,453 | +16.2 | 903,049 |
| Brantford | 873,069 | +5.8 | 733,227 |
| Kingston | 591,180 | .... | 547,243 |
| London | 2,445,434 | +2.4 | 1,984,421 |
| Chatham | 471,982 | —3.3 | ...... |
| Windsor | 2,622,714 | +10.8 | 2,074,360 |
| Sarnia | 395,112 | —12.0 | 423,952 |
| Sudbury | 993,422 | +5.2 | 1,579,250 |
| Fort William | 799,019 | +11.8 | 595,523 |
| Winnipeg | 41,291,538 | +59.9 | 35,180,090 |
| Brandon | 380,919 | —4.4 | 297,511 |
| Regina | 3,287,160 | +2.8 | 3,336,791 |
| Moose Jaw | 543,453 | —6.9 | 564,993 |
| Saskatoon | 1,397,573 | —10.1 | 978,052 |
| Prince Albert | 332,596 | +2.7 | 306,204 |
| Edmonton | 3,576,228 | —0.4 | 3,524,446 |
| Calgary | 4,291,649 | +42.9 | 4,317,244 |
| Lethbridge | 439,423 | +0.3 | 452,988 |
| Medicine Hat | 224,544 | +10.8 | 219,987 |
| New West'er. | 701,194 | —3.6 | 688,238 |
| Vancouver | 19,519,712 | +2.4 | 16,142,475 |
| Victoria | 1,853,895 | —2.1 | 1,663,519 |

## Obituaries

**Edmond Arcand,** formerly sales manager Royal Canadian Tobacco Co., aged 58, at Penetanguishene, Ont.

**Victor Roth,** chairman of the board of the Security Insurance Co. and affiliates, at New Haven, Conn.

**G. W. Ruttan,** grain broker, aged 59, at Winnipeg.

THE
MONARCH
LIFE ASSURANCE COMPANY
ESTABLISHED 1906
A STRONG PROGRESSIVE COMPANY
OFFICES FROM COAST TO COAST

# Position of Chartered Banks of Canada as of June 30, 1939, Shown by Monthly Returns to Minister of Finance

**LIABILITIES**

| NAME OF BANK | Notes in Circulation | Deposits by and Bal. Due to Dominion Government | Deposits by and Bal. Due to Provincial Governments | Advances from Bank of Canada | Demand Deposits in Canada | Savings Deposits in Canada | Deposits Elsewhere▲ | Bal. due to other banks in Canada | Due to Banks in U.K. | Due to Banks Elsewhere |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 22,210,912 | 34,369,803 | 13,138,649 | .......... | 190,088,656 | 450,456,920 | 83,408,445 | 3,264,241 | 4,272,012 | 9,475,604 |
| Nova Scotia | 8,501,066 | 8,840,632 | 2,619,292 | .......... | 44,451,453 | 153,140,716 | 52,132,069 | 2,587,378 | 859,105 | 1,999,023 |
| Toronto | 3,945,454 | 6,444,801 | 2,277,882 | .......... | 34,194,774 | 85,260,583 | 2,514,541 | 2,476,266 | 497,798 | 2,395,694 |
| Provinciale | 2,924,910 | 308,101 | 2,911,835 | .......... | 6,707,185 | 39,518,695 | 183,259 | 199 | .......... | 4,128,251 |
| Commerce | 17,320,373 | 11,231,247 | 15,452,419 | .......... | 150,175,059 | 329,834,655 | 69,697,705 | 4,194,702 | 2,277,990 | 9,413,717 |
| Royal | 26,691,118 | 22,488,355 | 13,696,147 | .......... | 180,451,989 | 336,865,231 | 284,215,718 | 276,474 | 1,706,528 | 13,225,546 |
| Dominion | 5,238,026 | 3,079,742 | 4,044,468 | .......... | 33,231,230 | 77,309,870 | 4,746,962 | 3,044,808 | 497,965 | 615,543 |
| Nationale | 4,926,679 | 2,158,074 | 498,004 | .......... | 24,145,043 | 103,737,845 | 1,237,645 | 1,481,827 | 82,106 | 782,991 |
| Imperial | 5,217,000 | 5,662,336 | 9,850,284 | .......... | 35,560,384 | 94,157,800 | 262,124 | 962,371 | 915,569 | 1,986,167 |
| Barclay's (Canada) | 370,535 | 156,203 | 37,368 | .......... | 3,226,402 | 10,085,875 | 5,338,699 | 1,739,174 | 2,627,318 | 2,564,038 |
| Total | 97,346,073 | 94,739,294 | 64,526,348 | .......... | 702,232,175 | 1,680,377,190 | 503,737,167 | 20,027,440 | 13,736,391 | 46,586,574 |

| NAME OF BANK | Bills Payable | Letters of Credit outstanding | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 99,610 | 7,764,085 | 2,937,338 | 21,845 | 39,000,000 | 36,000,000 | 896,508,125 |
| Nova Scotia | 8,179 | 5,481,087 | 43,101 | 361,407 | 24,000,000 | 12,000,000 | 317,024,514 |
| Toronto | .......... | 1,495,463 | .......... | 1,135 | 9,000,000 | 6,000,000 | 156,513,395 |
| Provinciale | .......... | 91,453 | 4,094 | 5,055 | 1,000,000 | 4,000,000 | 61,783,043 |
| Commerce | 2,723 | 13,635,828 | .......... | 613,977 | 20,000,000 | 30,000,000 | 673,850,400 |
| Royal | 89,797 | 18,445,698 | 49,450 | 36,172 | 20,000,000 | 35,000,000 | 953,238,231 |
| Dominion | .......... | 3,164,082 | 279,847 | 176,186 | 7,000,000 | 7,000,000 | 149,428,735 |
| Nationale | 7,653 | 1,015,837 | 127,945 | 6,772 | 5,000,000 | 7,000,000 | 152,208,425 |
| Imperial | .......... | 1,401,926 | .......... | 176,145 | 8,000,000 | 7,000,000 | 171,152,110 |
| Barclay's (Canada) | .......... | 925,759 | .......... | .......... | 750,000 | 1,500,000 | 29,321,374 |
| Total | 207,962 | 53,421,218 | 3,441,775 | 1,398,694 | 133,750,000 | 145,500,000 | 3,561,028,352 |

**SUPPLEMENTARY INFORMATION**

| NAME OF BANK | Capital Authorized | Capital Subscribed | Last Dividend | *Loans to Directors and firms of which they are Partners | Average Notes and Deposits with Bank of Can. | Greatest amount of Notes in Circ. |
|---|---|---|---|---|---|---|
| | $ | $ | % | $ | $ | $ |
| Montreal | 50,000,000 | 36,000,000 | 8 | 470,492 | 65,229,475 | 22,210,913 |
| Nova Scotia | 15,000,000 | 12,000,000 | 12 | 3,066,769 | 23,540,000 | 8,537,987 |
| Toronto | 10,000,000 | 6,000,000 | 10 | 692,261 | 13,696,595 | 3,945,454 |
| Provinciale | 5,000,000 | 4,000,000 | 6 | 150,202 | 3,914,521 | 2,924,910 |
| Commerce | 50,000,000 | 30,000,000 | 8 | 1,326,607 | 52,192,178 | 17,320,373 |
| Royal | 50,000,000 | 35,000,000 | 8 | 1,443,252 | 61,233,232 | 26,691,118 |
| Dominion | 10,000,000 | 7,000,000 | 10 | 187,665 | 14,106,976 | 5,312,041 |
| Nationale | 10,000,000 | 7,000,000 | 8 | 406,201 | 9,862,699 | 4,926,679 |
| Imperial | 10,000,000 | 7,000,000 | 10 | 546,549 | 13,501,870 | 5,220,798 |
| Barclay's (Canada) | 1,500,000 | 1,500,000 | .......... | 11,543 | 1,469,964 | 370,535 |
| Total | 211,500,000 | 145,500,000 | .......... | 8,301,541 | 258,747,510 | 97,460,807 |

▲Of this amount, $99,944,520 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug. 1, 1935.

*And loans for which they are guarantors.

**ASSETS**

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada | Gold and Subsidiary Coin Held Elsewhere | Notes of Bank of Canada | Deposits with Bank of Canada | Notes of Other Banks | Govt. and Bank Notes other than Canada | Cheques on other banks | Balances due from other banks in Canada | Due by banks in U.K. | Due by banks elsewhere | Govt. sec. short term | Govt. sec. long term | Canadian municipal securities |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 177,459 | 125,168 | 13,340,154 | 53,897,820 | 1,218,046 | 585,294 | 40,169,122 | .......... | 2,457,927 | 43,077,031 | 162,770,211 | 211,941,595 | 24,605,151 |
| Nova Scotia | 324,464 | 1,665,030 | 3,607,485 | 17,371,748 | 353,155 | 6,534,939 | 11,854,341 | .......... | 5,912,838 | 13,535,974 | 26,409,452 | 74,088,956 | 12,611,523 |
| Toronto | 207,705 | .......... | 1,867,287 | 9,227,341 | 193,390 | 58,586 | 10,489,208 | .......... | 285,854 | 13,234,356 | 7,829,677 | 52,999,509 | 6,019,880 |
| Provinciale | 225,135 | .......... | 1,019,882 | 3,099,992 | 172,015 | 43,295 | 2,764,494 | .......... | 12,853 | 259,991 | 8,810,683 | 6,208,605 | 13,723,034 |
| Commerce† | 858,546 | 390,341 | 6,805,564 | 44,104,278 | 697,726 | 1,091,803 | 22,809,632 | .......... | 4,170,459 | 31,012,863 | 87,720,509 | 131,223,509 | 8,574,035 |
| Royal‡ | 1,314,273 | 3,612,537 | 9,506,245 | 48,701,432 | 1,328,883 | 21,347,965 | 32,472,752 | 2,606 | 12,479,580 | 102,387,591 | 115,281,756 | 167,907,441 | 10,061,235 |
| Dominion | 262,316 | 367 | 2,013,475 | 12,590,545 | 367,105 | 107,920 | 10,299,455 | .......... | 844,606 | 1,727,818 | 13,497,731 | 37,428,730 | 3,894,848 |
| Nationale§ | 574,689 | 254 | 2,963,829 | 5,249,952 | 348,555 | 71,212 | 5,731,148 | 714,081 | 223,050 | 1,544,690 | 5,056,176 | 24,282,822 | 18,843,687 |
| Imperial | 364,324 | .......... | 3,898,153 | 7,280,538 | 329,345 | 90,146 | 7,570,006 | 628,643 | 641,216 | 3,131,674 | 21,961,995 | 43,734,468 | 5,696,292 |
| Barclay's (Can.) | 2,776 | .......... | 75,715 | 2,549,903 | 6,850 | 11,214 | 591,840 | 2,114,340 | 2,527,250 | 5,181,297 | 5,213,373 | 7,818,201 | 6,142 |
| Total | 5,311,687 | 5,793,677 | 45,097,789 | 204,082,549 | 5,015,070 | 29,942,374 | 144,751,998 | 3,459,670 | 29,555,633 | 215,093,285 | 454,551,563 | 757,633,836 | 104,035,827 |

| NAME OF BANK | Public sec. other than Can. | Other bonds and stocks | Call and short loans in Canada | Call loans elsewhere | Current loans Canada | Current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-Current loans | Real estate other than Bank premises | Mortgage on real estate | Bank Premises | Deposit for note circulation | Other assets | Total assets▲ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 26,588,800 | 36,107,453 | 4,076,973 | 17,133,986 | 169,562,373 | 16,095,117 | 3,220,058 | 42,617,982 | 1,691,528 | 567,349 | 540,238 | 13,221,130 | 1,238,094 | 1,929,210 | 897,719,368 |
| Nova Scotia | 453,965 | 11,162,290 | 4,391,277 | 2,166,749 | 87,146,406 | 16,924,084 | 1,609,010 | 4,439,055 | 459,972 | .......... | 90,721 | 6,261,423 | 500,065 | 2,693,667 | 318,049,687 |
| Toronto | .......... | 4,482,781 | 1,893,982 | .......... | 39,709,299 | .......... | .......... | 4,998,827 | 217,135 | .......... | 26,276 | 3,418,018 | 219,616 | .......... | 158,874,198 |
| Provinciale | | 2,100,157 | 4,075,978 | .......... | 13,472,579 | .......... | 188,069 | 2,504,892 | 71,193 | 566,556 | 342,915 | 2,077,840 | 160,050 | 126,689 | 62,118,380 |
| Commerce† | 29,599,587 | 29,893,897 | 12,298,660 | 11,251,061 | 163,864,721 | 19,832,466 | 8,433,352 | 20,692,496 | 2,972,770 | 2,548,548 | 1,371,014 | 14,696,055 | 1,098,981 | 4,368,657 | 676,017,274 |
| Royal‡ | 23,521,584 | 34,757,723 | 11,612,174 | 8,956,524 | 193,242,293 | 90,548,685 | 1,626,008 | 21,627,065 | 2,713,149 | 2,428,772 | 771,102 | 14,761,366 | 1,519,244 | 4,072,790 | 957,008,487 |
| Dominion | .......... | 2,929,124 | 3,367,976 | 2,395,111 | 47,697,648 | 617,407 | .......... | 522,778 | 259,454 | 72,535 | 57,090 | 5,639,283 | 307,500 | 203,999 | 150,277,915 |
| Nationale§ | 315,987 | 7,094,648 | 5,235,740 | 10,000 | 50,248,945 | 20,646 | 2,858,325 | 12,125,938 | 247,742 | 1,542,369 | 379,819 | 5,578,947 | 262,005 | 282,725 | 153,023,930 |
| Imperial | .......... | 66,551 | 5,016,585 | .......... | 55,317,257 | .......... | 576,520 | 7,183,745 | 337,197 | 185,841 | 353,877 | 5,947,618 | 295,217 | 122,274 | 172,131,418 |
| Barclay's (Can.) | .......... | .......... | 484,825 | .......... | 1,348,415 | .......... | .......... | .......... | 8,887 | .......... | .......... | 450,000 | 18,211 | .......... | 29,335,006 |
| Total | 80,479,923 | 128,594,634 | 52,454,170 | 41,913,431 | 821,609,936 | 144,038,405 | 18,511,342 | 116,712,778 | 8,979,027 | 7,911,970 | 4,133,052 | 72,051,680 | 5,618,983 | 13,800,011 | 3,574,555,643 |

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

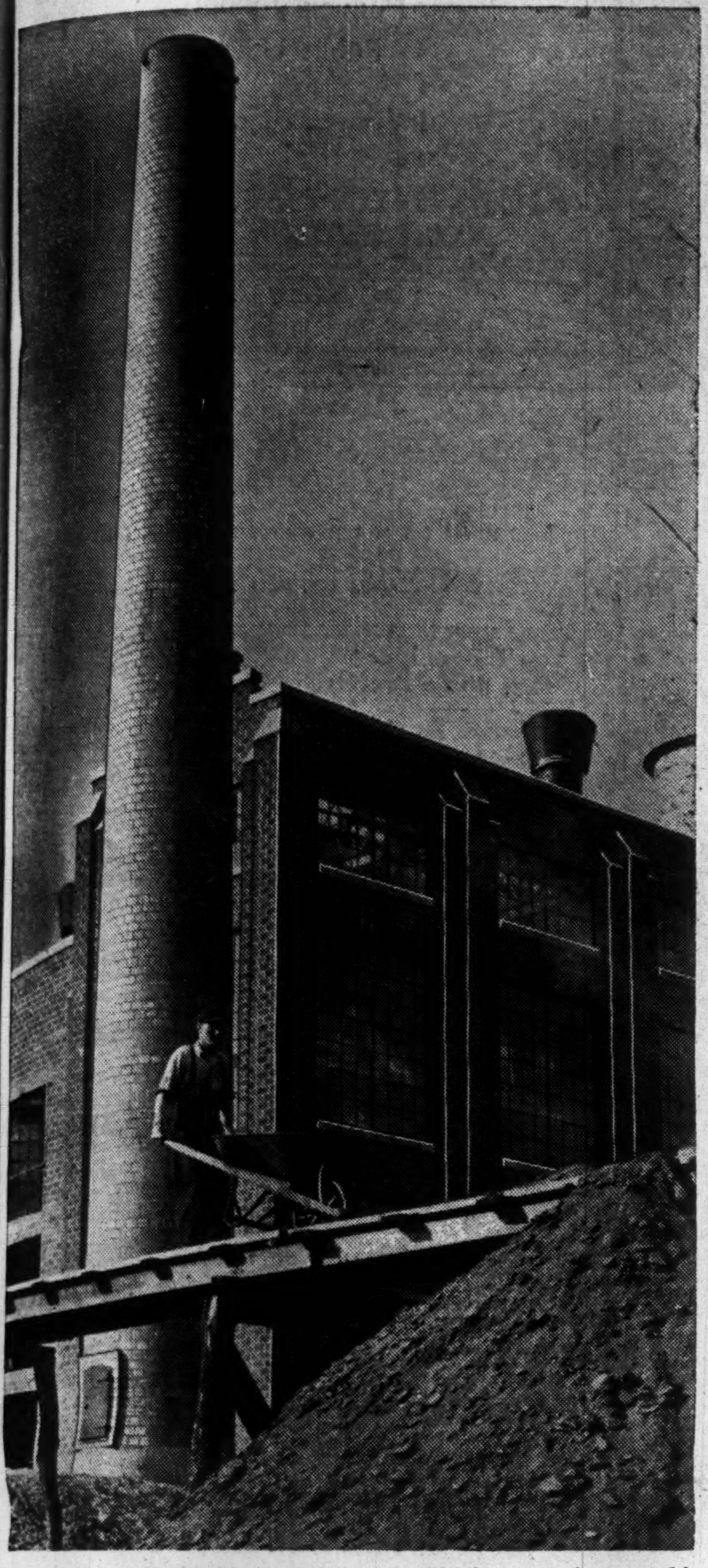
§The assets and liabilities of the Banque Canadienne Nationale (France) same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $53,421,218, letters of credit outstanding shown under liabilities.

# THE FINANCIAL POST

**Largest Circulation of All Canadian Financial Papers**

Vol. XXXIII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, AUGUST 12, 1939 10c a Copy; $5.00 a Year No. 32



Prospect for greater volume of factory building is spotlighting companies engaged in erection of such structures or supplying building materials.

# Industrial Building Quickens

## Recent Upturn Creates Prospect of Improved Investor Opportunities

Various signs and portents on Canada's construction horizon have aroused hopes of a sustained upturn in the long-lagging volume of industrial building.

Whether the prospect will materialize fully this year, or be deferred again by international alarms and business apprehensions, it is still difficult to say definitely.

The advance signals have persisted through a quarter-year period, usually regarded as fairly indicative construction-wise. And several encouraging factors that have already made themselves felt, seem assured of continuance for remainder of the year at least.

Thus there is reason to hope for a definite trend to crystallize from the apparent stirring of the industrial building backlog. If so, widespread benefits would accrue to Canadian industry and business. In line to benefit first, most directly and most substantially, are the companies concerned with erection of industrial buildings and supply of the necessary materials.

Few if any of such companies are engaged solely in building factory structures or producing the required materials. But all of them stand to gain materially if industrial building should regain any worth-while measure of its one-time volume. The difficulties that many of them have met in recent years are traceable, in large degree, to the especially serious lag of factory construction.

### *Effect of Trend*

Extent to which the shaping trend will affect profits and benefit investors, is problematical at this stage. In many cases it will depend upon the general financial position of the companies concerned. The relative standing of the principal concerns involved and their capacity to benefit from an uptrend, are shown in review at the end of this article of firms with a public investment interest.

The recorded improvement in recent months and the present outlook for industrial building, seem to assure that there will be at least a moderate expansion in volume this year. This would, of course, aid companies concerned to some extent, though in some cases it would be negligible or non-existent.

What is really needed is a more sustained upturn extending over several year and leading to reasonably early recovery of normal volume for this depressed field of construction. A gain this year would undoubtedly inspire confidence and stimulate many long-deferred projects of industrial expansion or improvement.

But various factors make inadvisable more than cautious optimism regarding a long-term advance. These uncertainties relate to the possibility of war; nervousness among businessmen; and, especially to be kept in mind, the disappointing record of industrial building over the past 10 years.

### *Past Performance*

Factory construction slumped first and most extensively among the four main divisions of construction when depression hit. It fell to particularly low ebb in the 1931-34 period. It has failed to keep pace with such moderate recovery as the construction industry has achieved. And after deceptively reflecting a mild boom in 1937, it fell into the doldrums again last year.

In short, the signals are hopeful, but the signaller is not entirely dependable.

In predepression years, industrial building averaged close to $60 millions annually, nearly four times 1938 volume. Even the 1925-27 average, often taken as "normal" construction years, ran well over $50 millions a year. In 1926, industrial building contracts awarded reached a peak just under $80 millions and constituted over 20% of all construction activity.

With depression's onset, industrial building fell off even more quickly and drastically than construction generally. Volume was cut more than 50% in the first year of depression; was only 4% of all building in 1931; fell below $8 millions in 1932. Slow and limited as has been the recovery of construction generally in the past few years, lag of industrial building has been even more pronounced.

### *Gain Not Maintained*

Only in one recovery year (1937) did factory construction show any sign of regaining normal volume, bouncing up to $34 millions and accounting for 15% of all building. But last year it fell back by more than 50% to about $16 millions, contrasting unfavorably with the relatively good showing of other fields of construction, especially residential building.

It is this discouraging performance of the past decade that makes results of the past few months seem hopeful, and suggests the signals of a trend. In the past three months, a decline of 20% in industrial building for the first quarter has been converted into a gain of 33%. Total of factory contracts for first seven months of 1939 has passed $14 millions, within 12% of the total for all of last year.

While a slight decline of 3% was shown last month, this was at least partly accounted for by lower level of building material prices than last year. And it was a negligible drop in comparison with decreases in previous months, as is shown by the following table:

**Industrial Building Contracts Awarded (First Seven Months)**

| | 1939 $ | 1938 $ | Change 1939 % | Cumulative % |
|---|---|---|---|---|
| January .... | 733,100 | 790,500 | — 12 | —12 |
| February ... | 633,900 | 855,700 | — 25 | —18 |
| March ...... | 890,100 | 316,700 | +181 | +15 |
| April ....... | 1,036,000 | 2,179,700 | — 52 | —20 |
| May ........ | 4,476,100 | 1,353,300 | +246 | +41 |
| June ........ | 4,637,700 | 3,266,700 | + 46 | +43 |
| July ........ | 1,798,500 | 1,987,700 | — 5 | +33 |
| Total ..... | 14,205,400 | 10,750,300 | + 33 | |

The substantial upturns shown in May and June were largely accounted for by major projects of two big companies—the $2.5 millions plant programme of International Nickel at Garson, Ont., and the $4.5 millions project of the Aluminum Co. of Canada near Kingston. However, the increases thus contributed rested on a foundation of general volume that measured up to last year. To a large extent this was made up of modest projects encouraged by the new income tax credit on plant improvements.

### *Tax Credit Helps*

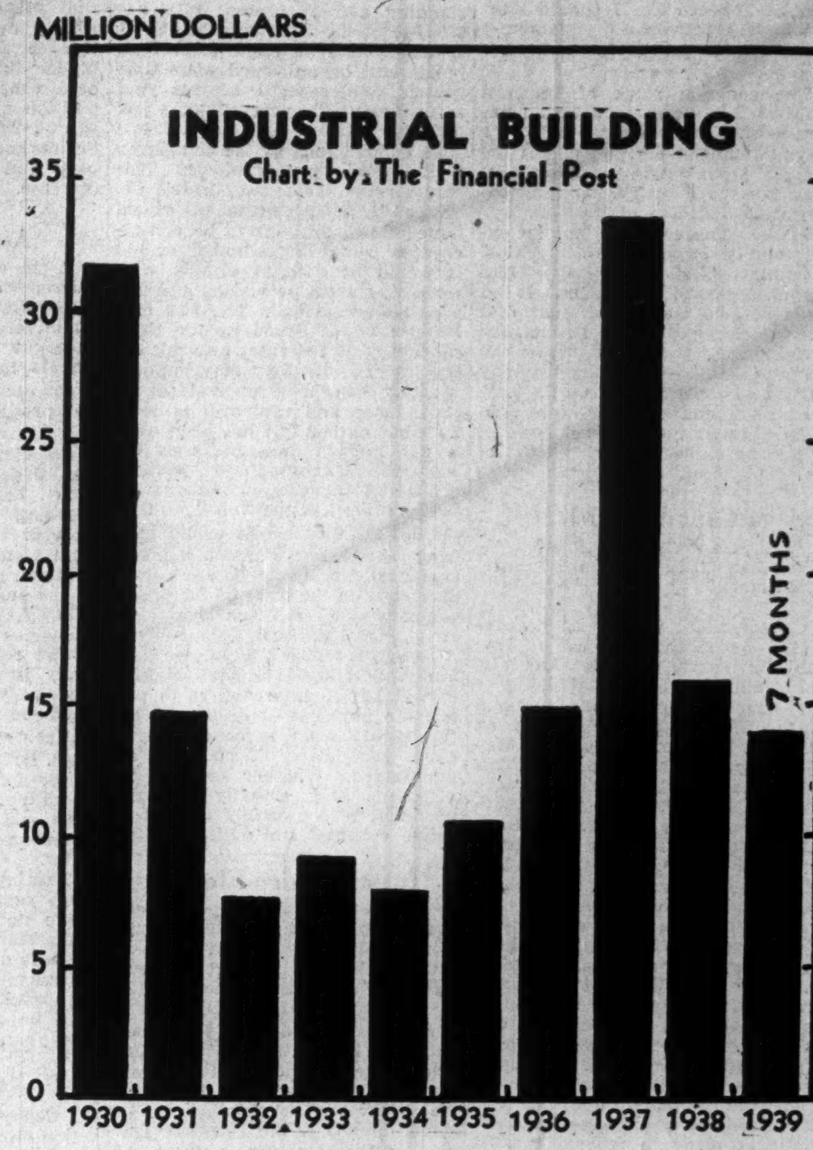
This tax credit plan, passed at the last session of Parliament, is one of the favorable factors that will continue until the end of the year, at least, and may be extended. Many large projects no doubt would proceed if extension was promised. The plan gives industrialists a credit for income tax deductions, rebatable over a six-year period, amounting to 10% of the cost of plant extensions and improvements, including equipment, up to May 1, 1940.

According to reports as to volume of enquiries and request for forms under this legislation, the concession has already been utilized to a considerable extent. It seems safe to assume that it has been partly responsible for the industrial building betterment already shown, and will continue to stimulate an improved volume of industrial plant expansion.

This is indicated in figures compiled by MacLean Building Reports on value of industrial building contemplated. In July, total was given as $4.7 millions, compared with $2.6 millions in July, 1938.

### *Material Prices Down*

Another factor favoring industrial building in the visible future is that building material prices continue at levels substantially lower than the peaks reached in 1937. The index of material prices currently stands at 88, compared with a range of from 91 to 98 prevailing through 1937 and early 1938. The Financial Post is informed that lower prices are particularly notable in regard to the type of steel supplies used in industrial structures.



Industrial building in Canada during the last decade has fluctuated widely. Hopes ran high two years ago but the spurt was unsustained. The record for the current year to date has been impressive.

Generally speaking, all building material prices are at advantageous levels for prospective industrial builders. They reflect exemption of such materials from the sales tax, and the curtailed volume of activity in all construction fields but residential. (It remains to be seen whether the larger activity in the industrial field is to be sustained.)

A strong background supporting hopes of a forward movement in industrial building is the tremendous backlog of deferred work piled up, and the proportionately greater deficiency in comparison with other construction divisions. In the past nine years, total of actual factory construction (including some machinery) has fallen 10% to 15% below the normal level indicated by annual averages of 1925-27 and the last 14 years.

### *Backlog Large*

In dollar value, the backlog deficiency on a similar basis of calculation amounts to between $120 millions and $330 millions. This is shown in the following table, which also reflects the relatively better record of residential building. It also shows industrial building's lag has amounted to 45% to 70% of indicated normal volume.

**Building Contracts, 1930-38**

| | Awarded | Normal Vol. acc. to aver. 14 yrs. | Normal Vol. acc. to aver. 1925-27 | Deficiency |
|---|---|---|---|---|
| | Millions of $ | | | |
| Industrial .... | 146 | 270 | 477 | 124-331 |
| Residential ... | 446 | 675 | 990 | 299-544 |

Last year, the lag of industrial building below normal was even more pronounced, the ratio of factory construction to normal volume being 20% less than that of residential. In 1938, the percentage of residential building to all construction was above the average of the past 14 years and close to the 1925-27 average, while industrial building was below both averages. This is shown in the next table:

**Building Contracts Awarded, 1938**

| | Millions of $ | As % of 1925-27 Average | As % of 14 yr. Average | As % of All bldg. 1938 |
|---|---|---|---|---|
| Industrial | 15.9 | 30 | 53 | 8 |
| Residential | 55.0 | 50 | 73 | 29 |

The especially severe slump of industrial building in 1930 and its failure to rally since, except in 1937, are shown by the following comparison:

**Residential and Industrial Building Contracts Awarded (1925-1938)**

| | Dwellings | Factory | Ratio to all contracts Res. | Ratio to all contracts Fac. |
|---|---|---|---|---|
| | 000's of $ | | % | |
| 1925 ......... | 96,490 | 40,007 | 32 | 13 |
| 1926 ......... | 109,562 | 79,690 | 29 | 21 |
| 1927 ......... | 124,940 | 39,989 | 30 | 10 |
| 1928 ......... | 139,166 | 63,300 | 29 | 13 |
| 1929 ......... | 128,901 | 62,968 | 22 | 10 |
| 1930 ......... | 93,291 | 31,520 | 20 | 7 |
| 1931 ......... | 81,684 | 14,816 | 25 | 4 |
| 1932 ......... | 28,892 | 7,820 | 22 | 6 |
| 1933 ......... | 23,893 | 9,102 | 25 | 9 |
| 1934 ......... | 30,588 | 8,037 | 24 | 6 |
| 1935 ......... | 36,408 | 10,292 | 23 | 6 |
| 1936 ......... | 42,857 | 14,974 | 26 | 9 |
| 1937 ......... | 56,207 | 33,779 | 25 | 15 |
| 1938 ......... | 55,025 | 15,982 | 29 | 8 |
| 1939 (7 mos.) | 41,000 | 14,205 | 38 | 13 |
| Annual Averages | Millions of $ | | | |
| 14 years ..... | 75 | 30 | 26 | 9 |
| 1925-27 ....... | 110 | 53 | 30 | 15 |

It is impossible to exclude all machinery and equipment costs from the contract award figures. However, if calculation of the industrial building backlog were to include a full allowance for machinery, etc., the gross figure would probably amount to at least $250 millions, and possibly as high as $500 millions.

This is supported by combined study of the contract award deficiency; the industrial obsolescence survey of the National Employment Commission; and unofficial estimates of volume of work to be stimulated by the income tax credit.

### *Deficiency a Factor*

No one expects, of course, that the full volume of these backlog estimates will be carried out, certainly not in the next year or two, even if continuing recovery were achieved by industrial building. The deficiency does, however, constitute a weight of obsolescence, deferred activity, and need for expansion, that is a definite factor in the current outlook.

Ultimately, a considerable proportion of the deficiency will have to be made up. What construction companies and interested investors would like to know, is whether present signals indicate that the time is now, and how much revived activity can be expected before international disruptions interfere.

The possibility of more factory building is not without its qualifications, in addition to the chance of war and the poor record of industrial construction for some years. These factors include the restrictions placed on the income tax credit plan, especially the limitation of the credits to projects completed and paid for by next May. This may operate to limit stimulus of the scheme to comparatively small projects, or at least work that can be completed by next spring.

The possibility of extending the term of the plan is also clouded by the prospect of substantial tax losses to the Government from the rebates. In semi-official quarters these losses have been estimated at as high as $12 millions to $20 millions over the six-year period allowed for the rebates.

### *Spotlight on Companies*

Whatever may prove to be the balance between the favorable and the discouraging factors in the outlook, the present situation has interesting potentialities and throws the spotlight of interest on companies most directly concerned.

As can be gathered from the outline of conditions surrounding industrial building in Canada in recent years which precedes this review, the group of companies here studied have been the victims of difficult conditions. Their business is surrounded by more than the usual degree of risk. Factory buildings are largely of a permanent nature. They do not wear out rapidly and in times of restricted operations new construction can be postponed.

The results is a "feast or famine" type of business for the companies that benefit from industrial building. Investment in their securities may bring exceptional returns at times only to be followed by barren stretches.

Properly timed, such investments can be profitable. It is also true that some of the leading companies have such a diversified production and have established such a strong financial position that they are able to weather the business troubles that defeat less strong concerns and have kept up returns to their stockholders over long periods.

In the reviews that follow, an effort has been made to confine it to the companies that appear most directly in line to benefit from any increase in industrial construction. Companies that are largely interested in the equipping of factory buildings with heating, lighting,

Continued on page 13, col. 1)

# Canada's Business Horizon Brightens

## Despite Irregularities Improvement Prevails And Future is Hopeful

Despite persistence of irregularity and sluggishness in some fields, current survey of Canadian business shows improvement predominating and the outlook brightening. The inevitable "if-no-war" qualification has become the chief if not the only cloud of importance on the horizon.

The remaining spottiness that business is now hopeful of clearing up is reflected by statistics available for the first half of the year. They indicate that compared with the same period of 1938:

Employment generally is improving, though the average for the year to date is still below last year.

Newsprint production and exports are higher.

Iron and steel production are lower.

Automobile output is down.

Total exports are higher while imports are down.

These are only a few of the business indicators that might be taken but they reflect the irregular course of the recovery.

With the midsummer season partly over attention is now directed to the fall.

### *Crop Estimate Reduced*

Among the important factors having a bearing on the trend of business for the coming months the crop is the biggest single item. Estimates of the yield on the prairies are down substantially from what they were earlier. Farmers who a few weeks ago were rejoicing in the fact that the supply of moisture appeared to be adequate and that the menaces of rust and grasshoppers were being held in check, have since seen excessive heat shrivel the kernels of their growing grain and in some cases withering them altogether.

In spite of this, however, a good crop still seems assured. An estimate received by the writer from a reliable source placed the crop at 375 million bushels which is well above the 326 million bushels harvested on the prairies last year and compares more favorably with an average for the last 10 years of 284 millions. Other estimates are still as high as 425 million bushels.

Some fears are expressed that the grade of the crop generally has been seriously affected by the heat. However, with a fair proportion of good grade wheat, and the guaranteed price of 70 cents per bushel for No. 1 Northern, the buying power of the prairie people should be increased materially.

### *In Eastern Canada*

In eastern Canada crops generally are showing up well and here too, a guaranteed price for wheat is a big item. The tobacco crop in southwestern Ontario promises to set a new record and will add, it is estimated, $20 millions to the wealth of the country this year.

The effect of these crops, however, will go much farther than the producers.

The harvesting operations alone are giving work to many unemployed men across the country; for while modern machinery does the work formerly done by many men, help is still required.

The steamship and railway companies will benefit, too. A larger crop means more wheat to be transported, to be stored and reshipped from the elevators. This means more work right along the line from the farm to the ocean terminal. Cars that have been lying idle on the sidings, steamers that have been tied up at the lake ports should all be called into service this year, when the crop movement gets under way in real volume.

The general effect of the increased income for the farming community and the wage earners of the transportation companies should in turn be far reaching. It should mean a larger demand for all kinds of merchandise and for the products of Canadian manufacturing establishments.

### *Tax Burden*

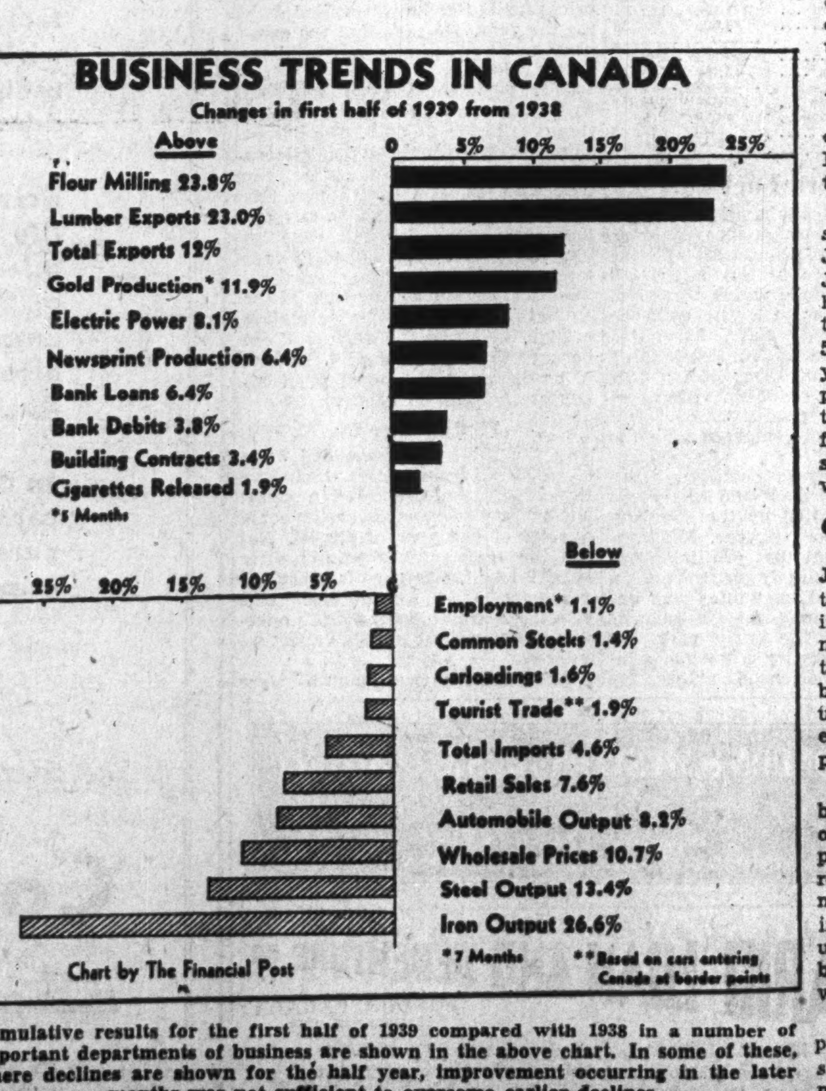
There are, however, two factors to be kept in mind regarding the wheat crop. One is that selling it on the world markets may not be easy owing to the abundance of supplies. The other is that unless the price advances substantially from its present level, the Dominion Government is likely to see a substantial addition to its deficit as a result.

Tourist trade, which usually contributes substantially to the national income has been rather under expectations. Entries of cars from the United States at border points have been lower than a year ago. The Royal visit brought in a large number of tourists but since then cool weather and the two major exhibitions in the United States have tended to curtail visitors from across the line. Warmer weather later is believed to have remedied this somewhat, though it is possible that tourist trade this year may not show the expected increase over 1938.

Of much significance from a business point of view is that construction is holding firm and shows a slight increase to date over 1938. Contracts awarded for the year to date have been showing a steady advance over last year and the fact that much of the increase is in industrial building is impressive. It indicates confidence on the part of industrialists.

Among the larger concerns that have decided to go ahead with buildings for their present and prospective needs may be mentioned the Bank of Montreal, which is proceeding with its new main office building in Toronto. The Bank of Nova Scotia erecting a $225,000 building in Saint John, N.B. The Aluminum Co. is spending around $4.5 millions on a new plant at Kingston, is proceeding with plant extensions at Arvida. International Nickel is paying out $2.5 millions at Garson, Ont., and Canadian Industries Ltd. $200,000 at Cote St. Luc near Montreal. Then there is the new $2 millions post office building at Toronto. These are some of the larger projects that are providing work. But they are also important as indicating that in spite of the spectre of war hovering in the background business must go on.

As a matter of fact the feeling is growing that war may be avoided this fall and possibly indefinitely. It is also realized by many that war or no war, business must progress. People have to be fed, clothed and housed and accordingly trade and industry must be prepared for peace as well as war.



Cumulative results for the first half of 1939 compared with 1938 in a number of important departments of business are shown in the above chart. In some of these, where declines are shown for the half year, improvement occurring in the later months was not sufficient to overcome earlier declines.

### *Demand for Lumber*

Export demand for lumber at British Columbia ports also has been active. Shipments in June set a new high monthly record, passing the previous record established in May by 3%. General expansion in industry has been accompanied by expansion in electric power output.

One of the most encouraging developments in the whole situation has been the showing made in our foreign trade. Sales to other countries have been forging steadily ahead. As Canada depends so much on her export trade, the importance of this is obvious. The increase in June over 1938 was almost 20%. The gain for the first half of 1939 over 1938, 12.4%.

### *Export Trade*

Contributing to this have been, of course, the gains in business in the United Kingdom and the United States, Canada's two best customers.

In the United States our exports have shown the greatest improvement, the June total being more than double that of June last year. Heavy industries there have been expanding. Steel mill operations recovered sharply in June reaching 57% of capacity compared with 30% a year ago. The automobile industry is at present experiencing a seasonal lull, but the anticipation is that the opening of fall will see greater activity and large sales are anticipated in 1940. A large wheat crop is estimated.

### *Conditions in U. K.*

Our trade with the United Kingdom in June gained by over 18%. Employment there has been increasing sharply while industrial production and general business activity have shown a steady uptrend. The fall in unemployment has been accentuated somewhat by calling up of conscripts for the army. Defense expenditures have not yet reached their peak.

It is therefore evident that there must be further expansion in production and of employment unless non-governmental production is to be curtailed. For this reason the Westminster Bank in its monthly review foresees labor problems in the coming months. In any case the uptrend in business should result in a better demand for the various products which Canada has to sell.

As Canada's two best customers prosper, so should she prosper especially when she has so many of the raw products and manufactured goods which they buy.

# Your Investments

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## Imperial Tobacco

I am considering the purchase of some common shares of Imperial Tobacco Co. I should like to have your views of this company and its prospects.

The common stock of Imperial Tobacco Company is a sound investment. The company enjoys a strong financial position and is the largest organization in the Canadian tobacco industry, handling between 70 and 80% of the country's business. The company has an exceptionally strong liquid position, working capital at the end of 1938 amounting to $17.5 millions. It has been able to maintain its earnings even during bad times. In fact, the trend during the recent depression was upward. Last year the company earned 63 cents a share on its common stock and paid 62½ cents. In view of its strong financial position it can be expected to pay most of its earnings out in dividends.

## Canadian Oil

Will you review the position of Canadian Oil Companies common stock?

Canadian Oil Companies has declared an extra dividend of 12½ cents a share, payable Aug. 15, along with the regular dividend of the same amount on the common stock. The company also paid an extra of the same amount on May 15 of this year. Canadian Oil Companies earned $1.27 a share on the common in 1938, as compared with 75 cents a share in 1937. The company operates a refinery at Petrolia, Ont., and distributes a complete line of petroleum products throughout Canada. Although one of the smaller refining and distributing companies in Canada, it has been able to show a good improvement in earnings in the past two years from 1936 results when a deficit equivalent to 14 cents a share was reported. Control of the company was acquired by interests represented by Nesbitt, Thomson & Co. from the National Refining Co., Cleveland, early this year. An effort was made to redeem the 8% preference stock of the company earlier this year but, because of opposition, the offer made to holders of the present non-callable preferred was withdrawn.

## Massey-Harris Dividends

What are the restrictions on payment of preferred dividends by Massey-Harris Co? Has the company reached a position where it could pay a dividend without contravening the restrictions?

With regard to the restrictions placed on the payment of dividends by Massey-Harris Co. at the time of the issue of the new first mortgage bonds early this year, the clause pertaining to payment of dividends is summarized as follows:

The company covenants that it will not declare any dividends on shares of its capital stock when working capital of the company at the end of the preceding fiscal year is less than 2½ times the principal amount of the bonds outstanding plus any bonds of J. I. Case Plow Works, Inc., then outstanding, or declare any dividend which would reduce the current ratio below 3 to 1 at the end of the preceding fiscal year and also that no dividends will be paid in any event except from earnings accruing after Nov. 30, 1938.

The company has $8.8 millions of this first mortgage bond issue outstanding and at present also has $205,000 of the J. I. Case bonds. It is expected that these J. I. Case bonds will be redeemed some time around September 1 of this year from part of the proceeds of a $2.2 millions issue of serial first mortgage bonds issued by the company's U.S. subsidiary this month. This would leave the Massey-Harris Co. with only the parent company's bond issue of $8.8 millions to be considered in computing whether or not it would be able to comply with working capital provisions and pay a possible dividend. The $2.2 millions of bonds issued by the U. S. subsidiary do not enter into this except in so far as they may improve working capital through repaying bank loans and replenishing cash. To what extent this has been done is not known. Massey-Harris Co. reported consolidated working capital at the end of last year of $20.7 millions, somewhat less than the $22 millions which would have been necessary to meet working capital requirements before paying dividends on the basis of the parent company's $8.8 millions bond issue alone. Until the next balance sheet is issued, it will not be known definitely whether or not working capital has so improved as to permit the payment of dividends, but this would seem to be quite possible, particularly if earnings are maintained. Whether or not any dividends will actually be paid, however, will probably depend on actual earnings and outlook.

## Inter. Hydro-Electric

I notice that a very good yield can be obtained on International Hydro-Electric System debentures. Would you recommend them as a sound investment?

As the price of the 6% debentures of International Hydro-Electric System indicates, they are a speculative investment. A substantial yield can be obtained on the debentures, but the financial position of the company is unsatisfactory. In recent years it has failed to earn its interest charges by a wide margin. In 1938 it had a net loss of $1,085,258. It should be noted, however, that there has been a material improvement in the outlook for the company. Gatineau Power Co. is now paying common dividends and International Hydro Electric System holds 1,439,020 shares of Gatineau common. This may enable the company to break even in the current year. At the present time International Hydro System is receiving no income from its principal subsidiary, the New England Power Association.

## International Pete

Can you tell me why International Petroleum Co. reduced its extra dividend? Does this action affect the investment status of the shares?

International Petroleum Co. is a subsidiary of Imperial Oil and operates important crude oil producing fields in Colombia and Peru in South America. It also has an interest in the oil fields in Venezuela being developed jointly with Mene Grande Oil Co. Just this month a new pipe line has been completed which opens up an entirely new proved oil-producing area in Venezuela and is expected to be a favorable development from the standpoint of International Petroleum shareholders.

Last year International Petroleum earned $1.98 a share on its common stock and paid total dividends of $2.50 a share. With the dividend paid June 1 of this year the previous extra of 50 cents a share was cut in half. Continuation of dividends at the June rate would make the equivalent of $2 a share annually and would bring dividend payments more closely in line with earnings in recent years. The company's financial position was strong at the date of the last balance sheet, June 30, 1938. In explanation of the reduction of the extra from 50 cents a share to 25 cents, it was stated that because of the enlarged opportunities for productive use of the company's capital afforded by new operations in South America, it was considered advisable, for the present, to conserve more of the company's liquid assets. This will permit the developments in new and promising territories which are now contemplated. It is understood that this referred to the operations in Venezuela already mentioned. Market performance of the company's stock in recent months has been somewhat affected by a feeling in the minds of many investors that its holdings might be subject to interference by unfriendly governments in South America. We are told, however, by company directors that no attempts whatever have been made to interfere with its operations in either Peru or Colombia.

## Ogilvie Flour

I would appreciate some information in regard to Ogilvie Flour Mills. The common stock of this company has been recommended to me as a good investment and I am considering the purchase of a few shares.

The outlook for Ogilvie Flour Mills is regarded as favorable. The company enjoys a strong financial position and is well-managed. It has always been able to show a profit in good times and bad. It has paid dividends on its common and preferred stocks continuously since 1904. Of course, the dividend rate on the common prior to the depression was higher than at present.

The year ended August 31, 1938, was one of the most difficult in the history of the flour milling industry. Yet, Ogilvie Flour was able to earn $1.09 a share on its common stock compared with $1.54 a share in the previous year. The company has a substantial investment portfolio. In the year ended August 31, 1938, it received $207,396 in interest and $519,000 in dividends from wholly owned subsidiaries. Earnings in the current year will be higher than last year. There has been a marked improvement in the position of the flour milling companies. The situation in the domestic market has been better and exports have shown a considerable increase.

## Assoc. Breweries

I am considering the purchase of some common stock of Associated Breweries. The yield is attractive even without taking into account the extra dividend payments made last year. What is your opinion of this company and its prospects?

Associated Breweries of Canada has made good progress in recent years. Earnings have increased and working capital position has improved. Net profit in 1938 was equivalent to $1.63 a share on the common stock and working capital at the end of the year amounted to $952,629. This year earnings may be higher as sales have increased.

The common stock of this company is an interesting investment and, as you note in your letter, a good yield can be obtained at present prices. The company has always paid its preferred dividends regularly, but no common dividends were paid in the years 1933 and 1934 and common dividends since then have been paid at varying rates.

Earnings of the company in recent years indicate that it should have no difficulty in maintaining its present regular dividend of 80c. a share under normal conditions. If earnings are maintained at the present level, then additional payments can be expected as was the case last year.

## Affiliated Fund

Can you give me any information on Affiliated Fund? I understand it is an American investment trust the shares of which are being offered in Canada.

It has only been in recent months that shares of Affiliated Fund have been offered in Canada. It is an investment trust of the management type and has been in operation for the past five years. The company may invest only in a selected list of securities listed on the New York Exchange or the Curb Market or in United States Government obligations.

During 1938 the company experienced substantial growth, the value of assets increasing from $4,313,769 to $17,844,334. In the same period the number of shareholders more than doubled. Capitalization at the end of 1938 consisted of $5,996,200 of 5% convertible debentures and an authorized capital stock of 6,000,000 shares of $1.25 par value each, of which 2,661,636 shares were outstanding. The offered price of Affiliated Fund is calculated daily on the basis of the closing prices of the portfolio securities. Affiliated Fund is required to repurchase at any time out of surplus any common shares tendered to it at a price based on the net asset value on the day of presentation. The company has paid dividends of 36 cents a share in 1938, 70 cents a share in 1937, 80 cents a share in 1936 and 42½ cents a share in 1935.

## Paramount Shows Earnings Doubled

### Profits for Quarter and Half Year Are Increased

Paramount Pictures Inc. estimates its earnings, after interest and all charges, for the quarter ended July 1, 1939, at $830,000. This includes $300,000, representing Paramount's direct and indirect net interest as a stockholder in the combined undistributed earnings for the quarter of partially-owned non-consolidated subsidiaries.

The 1939 earnings compare with $394,945, including $359,000 as Paramount's interest in undistributed earnings of non-consolidated subsidiaries, for the quarter ended July 2, 1938.

**Half Year Totals**

Earnings for the six months ended July 1, 1939, are estimated at $2.1 millions, including $978,000 as undistributed earnings of partially-owned subsidiaries. In the first half of 1938 earnings were $1,225,811, including $1,165,000 as earnings of partially-owned subsidiaries.

For the three months ended July 1, 1939, the estimated earnings, after preferred dividends of $300,268, represent 21 cents a share on the 2,465,927 common shares outstanding as compared with 4 cents a share for the corresponding quarter of 1938. For the six months ended July 1 of this year, Paramount earned 62 cents a share on its common stock against 26 cents a share for the first half of last year.

## Second Inter-State Royalty Reports on Book Values

From Our Own Correspondent

MONTREAL. — Second Inter-State Royalty Corp. advise that as at June 30, 1939, the company's investments in oil royalties had a book value of $239,678.

Gross revenue from royalty incomes since acquisition amounted to $69,369 up to May 31, 1939, and the reserve for depletion totalled $19,076. During May last the corporation had a gross royalty income of $1,928.

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# Company Reports

## Agnew-Surpass Shoe

Agnew-Surpass Shoe Stores Ltd. report sales in the year ended May 31, 1939, to $2,807,470, against $2,862,944 in 1937-1938. During the year three stores were closed, reducing the number in operation to 77 as at the end of the year.

Operating profit totalled $214,202, as against $230,236 in the year before. Net profit available before dividends amounted to $150,623, or about $10,000 less. There was a surplus after dividends of $25,541, as against $27,048 in 1938.

Net profits for 1939 are equivalent to $15.06 a share on the preferred and $1.01 a share on the common. This compares with $16.01 and $1.13 a share respectively last year based on total shares outstanding.

The only change of interest in the consolidated balance sheet is an increase in cash from $5,316 to $70,296 and a reduction in inventories from $1,241,000 to $1,136,000.

**Income and Surplus Account**
**Year Ended May 31**

| | 1939 | 1938 |
|---|---|---|
| Gross earnings | $214,202 | $230,236 |
| Less: Depreciation | 32,147 | 38,254 |
| Taxes | 31,289 | 33,160 |
| Directors' fees | 630 | 710 |
| Add: Other income | 486 | 2,002 |
| Net earnings | 150,623 | 160,114 |
| Less: Pfd. dividends | 70,000 | 70,000 |
| Com. dividends | 64,000 | 72,000 |
| Add: Sub. cos. portion | 8,918 | 8,934 |
| Surplus | 25,541 | 27,048 |
| Previous surplus | 369,321 | 342,273 |
| Surplus forward | 394,862 | 369,321 |
| **Working Capital** | | |
| Current assets | $1,401,384 | $1,421,355 |
| Current liabilities | 263,681 | 339,853 |
| Working capital | 1,137,703 | 1,081,502 |

## Western Steel Products

Lower sales and profit margins according to E. S. Sargeant, vice-president and managing director, were responsible for the less satisfactory results reported by Western Steel Products Corp. for the first half of 1939. A net loss of $10,975 compares with a net profit of $57,296 for the corresponding half of 1938. It is stated that bond interest and depreciation at full rates have been provided before arriving at the profit or loss figures given.

Working capital has been maintained and there are stated to be indications that operations for the last six months of this year will show a profit.

**Profit and Loss Account**
**Six Months Ended June 30**

| | 1939 | 1938 |
|---|---|---|
| | $ | $ |
| Gross profit | 233,404 | 323,402 |
| Add: Sundry income | 11,036 | 13,324 |
| Total income | 244,440 | 336,726 |
| Less: Selling, admin., finan. exp. | 183,539 | 194,259 |
| Depreciation | 53,476 | 67,671 |
| Bond interest | 17,500 | 17,500 |
| Net profit | *10,075 | 57,296 |

* Loss.

## National Light

Power output of National Light & Power Co., Moose Jaw, Sask., for the first half of 1939 increased to 13.4 million kw.h. as compared with 11.8 million kw.h. in the corresponding period of 1938. As a result, earnings for the 1939 period are equivalent to 1.94 times first mortgage bonds interest, after depreciation, against 1.75 times for the first half of 1938, according to information prepared by McLeod, Young, Weir & Co. For the full year 1938 the company was able to earn its first mortgage bond interest 1.88 times after depreciation.

**Income Account**
**Six Months Ended June 30**

| | 1939 | 1938 |
|---|---|---|
| | $ | $ |
| Operating earnings | 288,555 | 265,297 |
| Less: Operating exps. | 124,343 | 116,923 |
| Net oper. income | 164,212 | 148,374 |
| Add: Misc. earnings | 4,209 | 2,008 |
| Net earnings | 168,421 | 150,382 |
| Less: Depreciation | 45,102 | 42,048 |
| 1st mtge. bond int. | 63,555 | 61,997 |
| Balance* | 59,764 | 46,337 |

*Before income tax, amortization expenses, other interest, etc.

## George Weston Ltd.

George Weston Ltd. and subsidiaries report a good increase in earnings for the first half of 1939 as compared with the same period of 1938. After allowing for preferred dividends, interest and other charges, net is equivalent to 50 cents a share against 41 cents a share for the 1938 period. Both depreciation charges and income tax are higher in the 1939 period.

**Consol. Income Account**
**Six Months Ended June 30**

| | 1939 | 1938 |
|---|---|---|
| | $ | $ |
| Net oper. profit | 434,290 | 360,389 |
| Less: Depreciation | 121,192 | 105,661 |
| Est. inc. tax | 65,700 | 45,126 |
| Net profit | 247,398 | 209,602 |
| Less: Pref. divds. | 43,750 | 43,750 |
| Avail. for common | 203,648 | 165,852 |
| Earned on Common | $0.50 | $0.41 |
| Paid | 0.40 | 0.40 |

## Standard Fuel Co.

Earnings of Standard Fuel Co., Toronto, increased in the year ended April 30, 1939, but were still insufficient to cover the full 6½% preferred dividend which was paid.

Severe competition was again experienced in coke sales, says K. R. Marshall, president. Volume handled by the company was lower and profit per ton reduced. Volume of sales of other products was fairly well maintained compared with the previous year.

The company is operating more from a central dock and five yards formerly operated by the company were not in use last year. Mr. Marshall points out that profitable operations are largely dependent on cold weather. Last winter was unfavorable from the company's standpoint in the early part, but from early January a normal winter was experienced. "Intensive competition still prevails in the various commodities handled by the company and in consequence profit margins accruing therefrom have shown a tendency to decrease," says Mr. Marshall.

The vacancy on the board caused by the death of D. B. Hanna was filled by the election of J. P. Milnes who has been associated with the Milnes Coal Co., a subsidiary of Standard Fuel. Annual meeting is being held August 18.

The balance sheet shows cash up to $342,793 from $241,455 and inventories down to $249,156 from $370,210 a year earlier.

**Consol. Income and Surplus Account**
**Years Ended April 30**

| | 1939 | 1938 |
|---|---|---|
| | $ | $ |
| Operating profit | 115,817 | 112,125 |
| Less: Exec. salaries | 22,000 | 22,000 |
| Legal expenses | ...... | 229 |
| Net oper. profit | 93,817 | 89,896 |
| Add: Invest. income | 5,295 | 4,984 |
| Net earnings | 99,112 | 94,880 |
| Less: Deprec. & obsol. | 33,039 | 35,705 |
| Tax provision | 15,719 | 14,888 |
| Directors' fees | 3,270 | 4,500 |
| Prelim. exps. w/o | 1,399 | 1,399 |
| Net profit | 45,685 | 38,388 |
| Less: Pref. divids. | 77,090 | 77,107 |
| Deficit for year | 31,405 | 38,719 |
| Less: Prev. surplus | 241,296 | 280,015 |
| Surplus forward | 209,891 | 241,296 |
| **Earned per Share:** | | |
| Preferred: Earned | $3.85 | $3.24 |
| Paid | 6.50 | 6.50 |
| **Shares Outstanding:** | | |
| Preferred, $100 par | 11,860 | 11,860 |
| Common, n.p.v. | 50,000 | 50,000 |
| **Working Capital** | | |
| | $ | $ |
| Current assets | 988,902 | 996,295 |
| Current liabilities | 179,297 | 178,991 |
| Working capital | 809,605 | 817,304 |

## Thomas J. Lipton, Inc.

Thomas J. Lipton, Inc., and its wholly owned subsidiary, Thomas J. Lipton Ltd. (Canada), reports a net profit, after depreciation and all charges, of $217,994 for 1938 against $433,984 in 1937. The decline is stated by R. B. Smallwood, president, to be caused by decreased sales and an increase in advertising expenditures incident to a broader sales programme. The 1938 net is equivalent to $4.19 a share on the preferred and 70 cents a share on the common, compared with $8.36 and $1.78 respectively in 1937.

The Canadian company suffered a loss of $12,338 in 1938. It is stated that "this Canadian business is in process of development and its operation during the past two years resulted in a loss of only moderate proportions. It is expected that the development work which is being done in Canada will be productive of future profits."

The balance sheet as at Dec. 31, 1938, shows cash of $202,270, accounts receivable of $240,378 and inventories of tea and manufacturing supplies of $1.5 million.

Fixed assets are shown at cost of $919,707 from which has been deducted depreciation reserves of $558,393, leaving a net amount of $361,310. Goodwill, trademarks and copyrights are valued at $2.8 millions. Capital surplus of $1.8 million is shown in addition to the $1.5 million of earned surplus.

**Consol. Income and Surplus Account**
**Year Ended Dec. 31**

| | 1938 |
|---|---|
| | $ |
| Operating profit | 578,642 |
| Less: Gen. & admin. exps. | 263,481 |
| Depreciation | 47,040 |
| Exchange loss | 3,052 |
| Bank interest | 2,010 |
| Income taxes | 47,500 |
| Add: Profit on equipment | 2,436 |
| Net profit | 217,994 |
| Less: Preferred dividends | 78,000 |
| Class A dividends | 200,000 |
| Deficit for year | 60,006 |
| Add: Prev. earned surplus | 1,582,599 |
| Income tax adjust. | 15,146 |
| Earned surplus fwd. | 1,537,739 |
| **Earned per Share:** | |
| Preferred: Earned | $4.19 |
| Paid | 1.50 |
| Class A: Earned | 0.70 |
| Paid | 1.00 |
| **Shares Outstanding:** | |
| 6% preferred, $25 par | 52,000 |
| Class A, $1 par | 200,000 |
| Class B, n.p.v. | 200,000 |
| **Working Capital** | |
| | $ |
| Current assets | 2,018,216 |
| Current liabilities | 221,976 |
| Working capital | 1,796,240 |

## Dairy Corp.

Dairy Corp. of Canada was able to reduce its net loss in the year ended March 31, 1939, in spite of lower sales. If sales of Canada Dairies Ltd., which is not included in the consolidated accounts, are added, aggregate sales for the companies of $2.9 millions are down $154,038 from the previous year. Most of this decline is stated by J. A. Caulder, president, to be due to lower selling prices for butter that prevailed during the year. He adds that the company made practically no profit on butter sales.

Operating subsidiaries had no bank loans and no past due liabilities as at March 31, 1939. The parent company, however, had bank loans of $417,407, reduced during the year from $421,123. It is stated that this debt "cannot be reduced to any appreciable extent through earnings for some years." It is hoped to have some plan for remedying this situation worked out by the time of the annual meeting. The situation brought about by the default of debenture interest on Jan. 1, 1939, is to be discussed at a meeting of debenture holders on Aug. 15.

**First Quarter Up**

In the three months ended June 30, 1939, all subsidiaries, including those in Toronto, showed a profit and an improvement over the same quarter of last year of $19,403. Net for the quarter was $41,012 after bond interest, mortgage interest and depreciation of subsidiaries. This also took care of Dairy Corp.'s operating expense but not its debenture interest.

Sales for the three months were down $42,483 but operating expenses were reduced $9,783. The unit sales for the organization as a whole were up and the lower dollar value is owing to reduced selling prices on milk and cream in Edmonton and Winnipeg and lower prices for butter everywhere.

It is not expected that this rate of improvement can be maintained throughout the year, according to the president, but there should be a satisfactory improvement for the year particularly if conditions in the West continue reasonably ahead of last year.

**Consol. Income and Deficit Account**
**Years Ended March 31**

| | 1939 | 1938 |
|---|---|---|
| | $ | $ |
| Sales | 2,477,259 | 2,608,642 |
| Less: Cost of sales | 1,626,760 | 1,723,208 |
| Sell., deliv. & admin. expenses | 691,696 | 730,651 |
| Oper. profits | 158,803 | 154,783 |
| Add: Sundry inc. (net) | 3,603 | 4,124 |
| Less: Depreciation | 70,141 | 73,220 |
| Int. & divds. on subs., secs. & adj. for min. int. in profits | 46,309 | 47,447 |
| Cream top bottle exp. w/o | 12,012 | 18,497 |
| Loss on fixed assets | 3,469 | 1,884 |
| Milk enq. exps. | ...... | 3,084 |
| Net earnings | 30,475 | 14,338 |
| Less: Bank interest | 23,591 | 23,362 |
| Debenture interest | 39,516 | 39,516 |
| Mtge. interest | 1,165 | 1,343 |
| Prov. for inc. tax | 11,858 | 10,624 |
| Net loss | 45,655 | 59,870 |
| Add: Previous deficit | 170,647 | 275,933 |
| Loss on dispos. of Mount Royal bds. | 12,280 | 23,775 |
| Cost of subs. pref. shs. red. | 2,400 | ...... |
| Inc. tax adj. | ...... | 164 |
| Divds. accr. w/o re-organ. | ...... | 683 |
| Less: Inc. tax adj. | 375 | ...... |
| Min. int. adj. | 129 | 701 |
| Adj. re Can. Dairies | ...... | 181,461 |
| Other adjustments | ...... | 7,616 |
| Deficit car. forward | 230,478 | 170,647 |
| Times Fixed Charges Earned | 0.47 | 0.22 |
| **Working Capital** | | |
| | 1939 | 1938 |
| | $ | $ |
| Current assets | 331,825 | 324,999 |
| Current liabilities | 590,933 | 594,688 |
| Excess of curr. liabs. over current assets | 259,108 | 269,689 |

## Canada Veneers Ltd.

Canada Veneers Ltd., Saint John, N.B., reports a net loss for the year ended Jan. 1, 1939. No dividends were paid and there were arrears amounting to 75 cents a share on the 6% preferred of $10 par value as at the date of the report.

R. E. McMillan, president, states that in June new contracts were completed. These run for a period of at least two years and at a sufficiently increased price level to permit the company to show a satisfactory profit. It is said that the improvement in markets forecast in the 1937 report did not materialize until the later months of last year and business was unsatisfactory over the whole year. The management is working toward improvement of the company's liquid position.

**Profit and Loss Account**
**Year Ended Jan. 1, 1939**

| | |
|---|---|
| | $ |
| Operating revenue | 10,903 |
| Add: Misc. revenue | 1,847 |
| Total income | 12,750 |
| Less: Admin. & selling exp. | 24,469 |
| Net loss for year | 11,718 |
| Add: Previous deficit | 11,197 |
| 1937 city taxes | 2,128 |
| Deficit forward | 25,043 |
| **Working Capital** | |
| | $ |
| Current assets | 48,380 |
| Current liabilities | 71,549 |
| Excess current liabilities over current assets | 23,169 |

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LIMITED
INVESTMENT SECURITIES
VICTORIA VANCOUVER TORONTO HAMILTON SAINT JOHN

## Tip Top Tailors Inc. Pays $3 on Preferred

Tip Top Tailors Inc. has declared a dividend of $3 a share on the $6 preferred stock. Payment will be made Aug. 14, to stock of record Aug. 7, covering the half year ended July 31, 1939.

Tip Top Tailors Inc. is the United States subsidiary of the Canadian company, which guarantees the dividend on this preferred stock. Operations began early this year.

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By Land, Sea and Air —

# Historic Sites Are Travel Asset

## Official System of Marking Encourages Planned Tours

As with many of Canada's distinctive travel resources, such as our national parks, the multitude of marked national historic sites across the country remain relatively unknown and unappreciated by Canadians as a whole.

The exceptional opportunity they present for a combination of tourist travel, unusual interest and adult pleasure-education has been increasingly seized upon by visitors to the Dominion. But they are largely overlooked by Canadians themselves.

Many of these Canadians, ignorant of or indifferent to the varied attractions of their own country, will travel abroad for the chief purpose of visiting sites, scenes and preserved historic structures. Yet they could find equal if not greater interest and direct education by plotting itineraries that would take them to at least a portion of the marked places associated with the birth and development of this still-growing Dominion.

### Easy to Find

Particularly in recent years, organized efforts of government and education authorities have made it increasingly easy to find the sites and remaining buildings interwoven with Canada's historic progress. Systematic methods have been followed, not only to direct public attention to historic spots, but to make their significance clear to visitors and help them to visualize the event or events which took place at each point.

Within the past few years, the existence and position of historic sites have been brought into sharper focus in Ontario and most of the other provinces by highway signs at points close to such sites. While they are not placed in cities and towns the signs, saying "National Historic Site—300 yards," have done much to direct interest of tourists and motor travellers generally to the position of the sites.

### Official Maps

Additional attention has been drawn, though mostly for Americans, by the sectional road maps issued by the Canadian Travel Bureau. These carry on the reverse side historic-site sketch maps, lists and explanatory material. The position, nature and historic significance of most of the 300 or more officially marked sites in Canada are clearly shown. In addition to the maps distributed through the Travel Bureau, copies of the maps and of a booklet describing the principal spots are issued without charge by the National Parks Bureau of the Department of Mines and Resources at Ottawa..

Work of locating and marking sites, erecting suitable tablets or monuments, and restoring and preserving buildings or other historic relics, has been carried out by this Bureau. In selecting the sites deemed to be of sufficient national and historic importance to be designated, the Bureau operates in collaboration and on recommendation of the Historic Sites and Monuments Board of Canada. This is an honorary advisory body, members of which are historians of recognized standing and representative of all sections of the country.

### Across Canada

The 300-odd marked sites, monuments and structures are scattered across Canada in every province and in the Yukon, thus facilitating history-glimpsing tours through a single province, or throughout the Dominion. There is a wide variety in the types of places picked for the official roster, out of more than 1,000 sites considered and studied since marking and preserving of sites was begun 18 years ago.

Among the places and structures currently marked and maintained are:

Indian earthworks, forts and villages.

French forts, trading posts, and locations of mission enterprises.

Sites connected with British exploration and naval and military operations in the long struggle for possession and development of Canada.

Posts of the Hudson's Bay Co.

Sites related to major phases in the economic and industrial development of the Dominion.

### Cairns and Monuments

In cases where there is not an existing building or historic preserved structure to hold the bronze tablet designating a site, the tablet is affixed to a field stone cairn or cut stone monument.

Among the most interesting are those at which the ruins or restored and preserved remains of historic structures may be seen, or where the site and surrounding area appears very much the same as it did during the event for which it is marked. Outstanding among such sites is the Louisburg Fortress in Cape Breton, built over two centuries ago and twice captured by British forces from the French. Considerable excavation has been carried out at the site, acquired by the Government, and a museum established.

At site of Fort Anne in Annapolis Royal, N.S., maintained as a national park, a thriving village stood before the Pilgrim Fathers landed at Plymouth Rock. Here also one of the first ships built on this continent unfolded its sails, and 1,600 Acadians departed in the expulsion of 1755 as told in Longfellow's poem "Evangeline."

Also kept up as a national park is site of Fort Beausejour in New Brunswick, where restoration of the ruins has been carried out and a museum built. Preservation and erection of a museum has also been undertaken at Fort Chambly, 20 miles southeast of Montreal on the Richelieu River. Built in 1711 to replace a wooden fort built in 1665 by the French, it was captured by the British in 1760 and by invading American forces in 1775. Later repaired and garrisoned, it played an important part in the War of 1812.

### Popular with Tourists

Another important site dating back to the War of 1812 is Fort Wellington, at Prescott, Ont., which functioned as a main base to protect communications between Kingston and Montreal in the early nineteenth century. It is one of the historic sites most heavily visited by tourists..

In the West, one of the most interesting sites maintained by the National Parks Bureau is Fort Prince of Wales, opposite the port of Churchill in Manitoba. This is the most northerly fortress on the American continent, and was built between the years 1733 and 1771 to enable the Hudson's Bay Co. to control Hudson Bay. In Batoche, Sask., a cairn marks site of the rebel headquarters captured by Canadian armed forces to end the North West Rebellion of 1885.

At Bella Coola, B.C., a monument marks the terminus of the first overland journey across the continent of North America, by Alexander Mackenzie of the North West Company, with nine companions, in 1793.

## Birmingham Attracting Tourists in Midlands

Canadian visitors to England are being drawn in increasing numbers, largely as a result of well-directed publicity, to centre tours of the Midlands at Birmingham, England's second city. Shakespeare-land with all its historical associations and the beautiful Derbyshire Dales are within easy reach. The charm of the country surrounding Birmingham has become synonymous with all that is most picturesque in English life.

Birmingham itself, with its 1,200 different trades and its high tradition of civic development, is a tourist attraction in itsef. And near by are the Austin motor works at Longbridge and Cadbury's chocolate factory at Bournville Garden City, through which interested visitors can be taken.

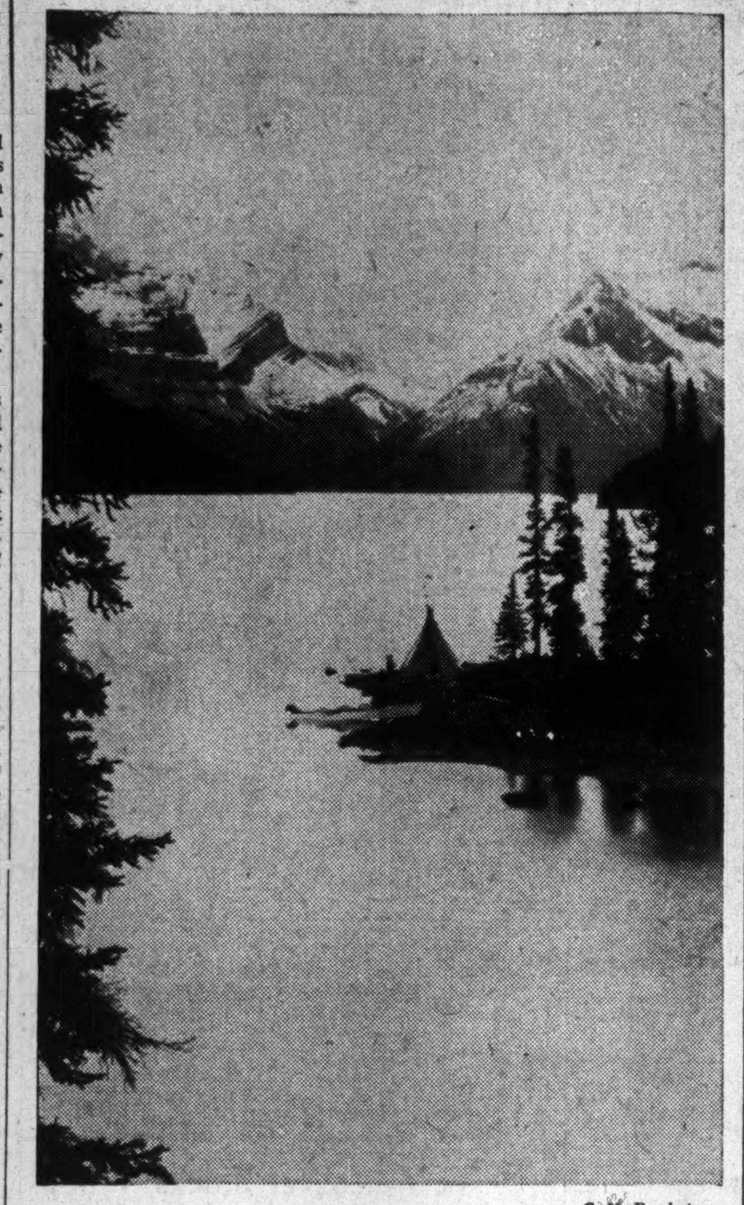
The brochures "The City of a Thousand Trades" and "City of Modern Tradition and Gateway to Ancient Romance" contain comprehensive surveys of Birmingham's attractions and activities. They are issued free from the City of Birmingham Information Bureau.

## Canadian Pacific Plans South American Cruise

From Our Own Correspondent

MONTREAL. — Unsettlement in Europe and the Far East has caused the Canadian Pacific Railway to decide not to operate its flagship, the Empress of Britain, on a world cruise this coming winter.

Instead, the Empress of Britain will make a cruise around South America, covering 14,000 miles and lasting six weeks. The liner will depart from New York on Jan. 26 on its South American cruise and will return March 8.



—C. N. R. photo.

**Unspoiled, typically Canadian scenic beauty is an outstanding feature of the attractions of the Dominion's national parks. Mountains, lake and forest form a lovely combination at Maligne Lake in Jasper National Park.**

## New Liner "Queen Elizabeth" To Cross Atlantic Next April

Britain's new superliner, the R.M.S. Queen Elizabeth, will sail on April 24, 1940, from Southampton for New York on her maiden voyage, according to plans of Cunard-White Star Line.

This great vessel, named after and launched by Her Majesty Queen Elizabeth at Clydebank, Scotland, on September 27, 1938, has a length of 1,031 feet and an estimated gross tonnage of 85,000 tons. It is the largest and longest ship ever constructed. The Queen Mary, launched by Her Majesty Queen Mary in 1934, has an overall length of 1,018 feet and a gross tonnage of 81,235.

### Changes in Design

The general principles governing the design of the new liner are similar to those which applied to her predecessor, the differences being brought about by subsequent developments in shipbuilding and experience in service with the Queen Mary. The most obvious change is the provision of two funnels instead of three, this being associated with a reduction in the total number of boilers from twenty-four main water-tube units to twelve of larger size and output.

Further research has also produced a new form of hull, one feature of which is a stem with an additional rake forward.

With the Queen Elizabeth in service along with the Queen Mary the Cunard White Star will maintain a weekly service between New York, Cherbourg and Southampton. These huge liners, with their planned speeds, will eliminate the necessity of a third express liner, which, in the past, has been always necessary to perform this regular weekly service.

## New York-Athens Service Initiated

New direct steamship service between New York and Athens, Greece, by palatial modern liner, has been inaugurated by the Greek Line (General Steam Navigation Co.). The "Nea Hellas," 17,000-ton, 1,100-passenger flagship of the line, docked for the first time at New York early last month. On all eastbound voyages, stops are to be made at Villefranche, French Riviera seaport.

In addition to establishing fast and direct service between this continent and the Greek capital, operators of the line hope to develop interest in the tourist and vacation resources of Greece. In recent years considerable effort has been put forth to improve transportation services and motor roads, and to raise the standards of hotel facilities. Regular air transport services link Athens with all parts of Europe and the Orient.

In addition to attractive climatic conditions, Greece offers travellers a variety of health spas, sea and mountain resorts, and historic and scenic attractions for tourists. As interest in these resources improves, additional ships will likely be placed in service on the New York-Athens run.

## Faster Air Service For London to Paris

Imperial Airways has added three daily trips to its London-Paris schedule. There are now eight week-day departures each way, using the new "Frobisher" class air liners, fastest four-engined passenger aircraft in service on European airways. They carry 22 passengers in three sound-proof cabins, each high and as wide as a Pullman car.

They connect with European airway systems covering 60,000 miles, extending as far as Moscow and northern Norway.

### HEADS NATIONAL THRIFT

From Our Own Correspondent

MONTREAL.—John A. Walker, K.C., of Halifax, former member of the Harrington Government, has been elected president of the National Thrift Corp.

## C.N.E. Winds Up Holiday Season

### "Big Fair" Acts as Potent Travel Stimulus

With two to four weeks yet to run in what is usually regarded as Canada's summer vacation period, thousands of Canadians have yet to sample the 1939 delights of the varied and distinctive holiday attractions of the Dominion.

Vacation and tourist patronage, in fact, is currently about at its peak in the seaside and river resorts of the Maritimes; the St. Lawrence Gulf and lake-mountain districts of Quebec; the wide range of lake and river resorts in Ontario; the lake and foothill areas of the prairies; and the mountain and seaside regions of the far West.

But already a large proportion of holiday - planning Canadians are focusing attention on what has come to be the summer and holiday wind-up for both Canadians and Americans from all parts of the continent. This is the Canadian National Exhibition, "the show window of the nation" and the largest annual exposition of its type in the world.

### Exhibition Holidays

Many Canadians, particularly in Ontario and Quebec, are accustomed to save their holidays so as to spend a large part of their vacation "taking in" the Exhibition. This is quite apart from the thousands of exhibitors, employees and other participants in the operation of the "big fair," which today utilizes $21 millions of land, buildings and equipment spread over 350 acres. Attendance is edging back to the two-million mark reached prior to the depression.

Other Exhibition visitors plan to begin or end their holidays with a couple of days at the Toronto show. This year's Exhibition fortnight will run from Aug. 25 to Sept 9.

For both groups, the Exhibition this year is offering a number of new features which should maintain its influence as one of Canada's most potent travel stimulants. In addition they will provide impressive highlights for the substantial background of agricultural, industrial, business, scientific, mechanical, governmental, and entertainment features annually presented.

### Music Featured

In the realm of music, always one of the fields in which the Exhibition has been most successful, the programme will feature His Majesty's Royal Marine Band from England, noted for its ability to perform equally well as a military band or symphony orchestra. A novel offering will be two bands of girl bagpipers, one from Dagenham, Eng., and the other from Saskatoon.

Facilities for dancing to the music of "big name" bands from the United States will again be available. Orchestras booked are those of Glen Gray, Artie Shaw, Benny Goodman, Guy Lombardo and Tommy Dorsey, all top rankers with devotees of radio and dance music.

### In Tune With Times

Special features in tune with the times include two presentations of movies of the Canadian visit of Their Majesties, a demonstration of R.C.A. television equipment now being introduced for public use, and and a showing of facsimile news transmission. A General Motors exhibit is entitled the "circus of science."

Supplementing the grandstand circus and pageant performances will be "Lucky" Teter and his troupe of daredevil auto drivers, and precision manoeuvres by a mounted squadron of Royal Canadian Mounted Police.

International and Empire representation in the International Pavilion and Government Building will include exhibits of Holland, France, Switzerland, Finland, Belgium and Germany; Australia, New Zealand, South Africa and India. The Dutch display will include an exhibition of old masters and other Dutch art, valued at hundreds of thousands of dollars.

## Ambitious Highway Plan Drafted in Japan

The urge to build high speed super highways, partly, if not primarily for military use in case of emergency, is apparently not confined to Germany and other totalitarian countries in Europe. Japanese authorities are now working on preliminary plans for a super highway system to cost $200 millions, and stretching southward from Tokio to Osaka, near Kobe, and Fukuoka, 660 miles from the capital. According to the Japan Weekly Chronicle, the aim of the project is to "cope with progress of industry and remove one of the weaknesses of national defense."

The super-highway will resemble the famous autobahnen of Germany, passing over or under intersecting railway lines and secondary roads, with clover-leaf style crossings providing limited access to the speedway from other main highways and the principal centres to be served. The roadway will be 66 feet wide, and will be of the dual or divided type with a landscaped safety strip in the centre. It is hoped the road when completed will permit motor traffic to move over it at speeds averaging up to 60 miles an hour.

Another ambitious project under consideration in Japan calls for a tunnel to link Japan proper with the Jap-controlled island of Korea, over 70 miles across the sea. Preliminary geological surveys have already been made for the undertaking, which would cost $5 billions to carry to completion and would involve use of "artificial earthquakes" to bore the tunnel under the seabed.

## Bankers Are Planning Tour Through Rockies

Tacit tribute to the distinctive attractions of the Canadian Rockies and Pacific Coast for travellers, is paid in the official preconvention bulletin of the Investment Bankers Association of America.

Outline of preliminary arrangements for the convention, scheduled for Oct. 9-13 at Del Monte, Calif., tentatively schedules a special scenic tour train that will detour eastern delegates through the Rockies and B.C. points on their way to the convention. Stops and side-trips are scheduled, provided enough bookings are received, at Banff, Lake Louise, Field, B.C., Vancouver and Victoria. Visit to Victoria would be by Canadian Pacific coastal steamship on the way to Seattle.

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● With Dominion Battleship Linoleum, your floors are covered permanently and will carry heavy traffic for years.
BEAUTY
● There are no less than 11 colours and effects for your Custom-built floor of Dominion Battleship Linoleum, with widest scope for original design.
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● Dominion Battleship Linoleum ends the noisy clatter of boot-heels. It is resilient underfoot: sound-absorbing; shock-absorbing; a pleasure to walk on.
LOW COST
● The first cost of a Dominion Battleship Linoleum floor tells the whole story. When considered in terms of years of wear, it is really insignificant.
SMALL UPKEEP
● Dominion Battleship Linoleum cuts janitor costs; it takes far less time and effort to keep clean. An occasional waxing is the only other care required.
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● Any competent Flooring Contractor makes a quick, efficient job of installing a custom-built Dominion Battleship Linoleum floor with a minimum of inconvenience to you.
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● When every detail of our simple specifications is carried out, Dominion Battleship Linoleum (AAA & AA gauges) is covered by our 5-year Guarantee. This is real protection!

ASK THE MAN WHO KNOWS!
As one experienced restaurateur remarked, referring to his newly installed Dominion Battleship Linoleum floor: "This is the first really quiet floor I've ever had and my customers and staff certainly appreciate it."

Restaurant, Quebec City.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED

# The Week's Quotations

## Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 7

| Range 1939 High | Low | Div R'te $ | Aug 5 Y'ld % | Stock | Sales | Last July 31 | Week end. Aug. 7 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 2.87 | .50 | . | ... | Abitibi | 3025 | 1.00 | .96 | .85 | .90 |
| 21½ | 3½ | . | ... | Do. pref. 6% | 850 | 5½ | 6 | 5 | 5 |
| 21 | 4½ | . | ... | Do. pref. 7% | .... | (4½ bid | — asked) | | |
| 4½ | 3½ | 20c | 7 | Acadia Sugar | .... | (4⅜ bid | 4½ asked) | | |
| 5½ | 5½ | 30c | 5.2 | Do. pref. | .... | (4½ bid | — asked) | | |
| 5 | 3 | . | ... | Acme Glove | .... | (2 bid | 5 asked) | | |
| *82 | 60 | . | ... | Do. pref. | .... | (— bid | — asked) | | |
| 10½ | 9½ | 60+20c | 7.5 | Agnew Surp. | 15 | 9½ | 10½ | 10½ | 10½ |
| 111 | 104 | 7 | 6.4 | Do. pref. | .... | (109½ bid | — asked) | | |
| 3½ | 1½ | . | ... | Alta. Pac. Gr. | .... | (2½ bid | 3 asked) | | |
| 24 | 13 | . | ... | Do. pref. | 60 | 23 | 21 | 20 | 20 |
| 14½ | 6⅜ | . | ... | Algoma Steel | 225 | 10½ | 10⅜ | 10⅜ | 10⅜ |
| 74 | 51 | . | ... | Do. pref. | 1000 | 71½ | 74 | 74 | 74 |
| 140 | 112 | 25c+10% | ... | Aluminum | 155 | 130 | 130 | 128½ | 128½ |
| 112 | 111½ | 6 | 5.4 | Do. pref. | .... | 110½ bid | 112½ asked | | |
| 2½ | 1 | . | ... | Amal. Electric | .... | (1 bid | 1½ asked) | | |
| 30 | 29 | . | ... | Do. pref. | .... | (— bid | 28½ asked) | | |
| 22½ | 22½ | 60c | 2.7 | Amer. Cyn. B. | .... | (— bid | — asked) | | |
| 50 | 47 | 2.75 | 5.8 | Ang. Can. Tel. p | 45 | 48 | 48½ | 46½ | 48½ |
| 28½ | 19 | 60+15c | 3.1 | Asbestos | 2611 | 24½ | 24⅜ | 23 | 23½ |
| 16⅜ | 14½ | 80+45c | 7.4 | Assoc. Brew. | 200 | 16⅜ | 16⅜ | 16⅜ | 16⅜ |
| 115 | 109 | 7 | 6 | Do. pref. | 100 | 110½ | 115 | 115 | 115 |
| *6½ | 6½ | . | ... | Assoc. T. & T.A. | .... | (— bid | — asked) | | |
| 31 | 29 | 1.26 | ... | Do. pref. | .... | (— bid | 30 asked) | | |
| 102 | 101½ | 5.50 | 5.4 | Ault & Wiborg. | .... | (100⅞ bid | — asked) | | |
| | | | | **B** | | | | | |
| 168 | 162 | 8 | 4.8 | Bk. Can. Nat. | 19 | 166 | 167 | 166½ | 167 |
| 223 | 203 | 8 | 3.9 | Bk. Montreal | 58 | 214 | 216 | 214 | 214 |
| 310 | 300 | 12 | 3.9 | Bk. N. Scotia | 76 | 301 | 301 | 300 | 301 |
| 255 | 239 | 10 | 3.9 | Bk. Toronto | 3 | 253 | 253 | 253 | 253 |
| 5 | 4½ | . | ... | Barcelona | .... | (4 bid | — asked) | | |
| 7½ | 4 | . | ... | Barker's Bread | 400 | 7½ | 7½ | 6½ | 7½ |
| 39½ | 20 | 2.50 | 6.3 | Do. pref. | 25 | 39½ | 37⅞ | 37⅞ | 37⅞ |
| 8½ | 5 | 25c | ... | Bathurst Pr. | 639 | 6⅜ | 6½ | 5½ | 6½ |
| 3½ | 1 | . | ... | Do. (B) | 151 | 1½ | 2 | 2 | 2 |
| 1.50 | .50 | . | ... | Bawlf Grain | 610 | 1.00 | 1.00 | 1.00 | 1.00 |

| Range 1939 High | Low | Div R'te $ | Aug 5 Y'ld % | Stock | Sales | Last July 31 | Week end. Aug. 7 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 16½ | 11 | 80c | .. | Gatineau Pwr. | 567 | 15½ | 15½ | 14⅞ | 15 |
| 95 | 87 | 5 | 5.3 | Do. pref. | 90 | 95 | 95 | 94 | 94 |
| 6 | 2½ | . | ... | Do. Rights | 480 | 5½ | 5⅞ | 5½ | 5½ |
| 8 | 4½ | . | ... | Gen. St. Wares. | 550 | 5⅞ | 5⅞ | 5½ | 5½ |
| 83 | 55 | 1.75 | .. | Do. pref. | 115 | 69 | 68⅞ | 68⅞ | 68⅞ |
| 78½ | [illegible] | 2.50+5 | 10.1 | Goodyear T'e | 10 | 73⅞ | 74½ | 74½ | 74½ |
| 58½ | 54 | 2.50 | 4.4 | Do. pref. | 1529 | 55½ | 56½ | 55½ | 55½ |
| 9 | 5 | . | ... | Gt. Lakes Pap. | .... | (— bid | 6 asked) | | |
| 15 | 12 | . | ... | Do. pref. | .... | (— bid | 12 asked) | | |
| 7 | 2½ | . | ... | Do. Vot. Tr. c | .... | (3 bid | 4⅞ asked) | | |
| 17 | 10½ | . | ... | Do. Vot. Tr. p | 25 | 13½ | 11½ | 11½ | 11½ |
| 1.25 | .75 | . | ... | Gt. W. Saddlery | 40 | 1.00 | 1.00 | 1.00 | 1.00 |
| 12 | 12 | . | ... | Do. pref. | .... | (12 bid | 16 asked) | | |
| 12½ | 10 | 60c | 5.9 | Greening Wire. | .... | (10 bid | 11 asked) | | |
| 6½ | 5 | †30c | ... | Gurd. Chas. | 25 | 5½ | 5½ | 5½ | 5½ |
| 108 | 105 | 7 | 6.7 | Do. pref. | .... | (— bid | 105 asked) | | |
| 7 | 3½ | . | ... | Gypsum. Lime. | 1490 | 5 | 5½ | 5 | 5½ |
| | | | | **H, I** | | | | | |
| 6.00 | .75 | . | ... | Ham. Bridge | 200 | 1.25 | 1.10 | 1.00 | 1.00 |
| 36 | 24 | . | ... | Do. pref. | 90 | 30 | 30 | 30 | 30 |
| 29 | 27 | 2 | 7.4 | Ham. Cot., pf. | .... | (25 bid | 26 asked) | | |
| 1.00 | .25 | . | ... | Ham. U. Theat. | .... | (.50 bid | .90 asked) | | |
| 60 | 49½ | 6 | 10 | Do. pref. | .... | (61½ bid | 65 asked) | | |
| 4 | 2½ | 20c | 6.6 | Harding Carpet | 150 | 3½ | 3½ | 3½ | 3½ |
| *5 | 2½ | . | ... | Hillcrest Coll. | .... | (— bid | 1.50 asked) | | |
| 1½ | 1½ | . | ... | Do. pref. | .... | (1⅞ bid | 12 asked) | | |
| 15 | 8 | 50c | 5 | Hinde & Dauch | 25 | 10 | 10 | 10 | 10 |
| *20 | 20 | . | ... | Holt Renfrew | .... | (— bid | 15 asked) | | |
| 40 | 40 | . | ... | Do. pref. | .... | (— bid | 35 asked) | | |
| .11 | .10 | . | ... | Honey Dew | 29 | .11 | .11 | .11 | .11 |
| 13½ | 10 | . | ... | H. Smith Pap. | 185 | 12 | 12½ | 12 | 12½ |
| 96½ | 88 | 6 | 6.3 | Do. pref. | 20 | 90 | 90 | 90 | 90 |
| 15½ | 12 | 1 | 8.3 | Humberstone S. | 25 | 12 | 12 | 12 | 12 |
| 3 | 2 | . | ... | Hunts (A) | 120 | 3 | 4 | 3 | 4 |
| 4 | 2 | . | ... | Do. (B) | 25 | 2 | 4 | 4 | 4 |
| 70⅞ | 62 | 4 | 6.2 | Huron & E. Mt. | .... | (65 bid | 70 asked) | | |
| 10 | 8½ | 80c | ... | Do. 20% pd. | .... | (8½ bid | 9 asked) | | |
| 4½ | 3 | 20c | 5.2 | Hydro Electric. | .... | (3 bid | 4 asked) | | |
| 221 | 202½ | 10 | 4.6 | Imperial Bank. | 14 | 217 | 217½ | 217 | 217½ |
| 17½ | 14 | 50+75c | 8.2 | Imperial Oil. | 4030 | 15½ | 15½ | 15 | 15½ |
| 17 | 15 | 40+22½c | 3.7 | Imperial Tob. | 2679 | 16⅜ | 16⅜ | 16½ | 16⅜ |
| 8 | 7 | 6% | ... | Do. pref. | 200 | 7½ | 7⅞ | 7⅞ | 7⅞ |

Quotations: * 1938. • 1937. b New York quotations.
▲On account of arrears.
‡Plus extra of $2 paid Feb. 1, 1939.
•Initial. †Interim.

## Mining Stocks

Week Ending August 7.

| Par Val. | Range 1939 High | Low | Company | Sales | Close July 31 (or last) | High for week | Low for week | Close Aug. 7 |
|---|---|---|---|---|---|---|---|---|
| | | | **A** | | | | | |
| 1 | .04 | .01½ | Afton | 1,500 | .02 | .02½ | .02½ | .02½ |
| No | .52 | .25 | Aldermac | 18,200 | .32 | .37 | .31 | .33 |
| 1 | .01½ | .00½ | Alexandria | 1,000 | .01 | .01 | .01 | .01 |
| 1 | .17 | .06 | Amm. Gold | 10,400 | .08 | .08 | .08 | .08 |
| No | 3.25 | 2.25 | Anglo-Huronian | 1,000 | 2.30 | 2.30 | 2.30 | 2.30 |
| No | .02½ | .01 | Arno | ...... | (.02 bid | .02½ asked) | | |
| 1 | .17½ | .09 | Arntfield | 99,300 | .15 | .16 | .13 | .13½ |
| 1 | .10½ | .05 | Ashley | 2,600 | .06½ | .07 | .06½ | .06½ |
| 1 | .06½ | .01 | Astoria Quebec | 200 | .03 | .03 | .03 | .03 |
| 1 | 2.87 | 1.75 | Aunor Gold | 43,582 | 2.65 | 2.67 | 2.47 | 2.57 |
| | | | **B** | | | | | |
| 1 | .23 | .06 | Bagamac | 1,000 | .08 | .09 | .09 | .09 |
| 1 | .38 | .17 | Bankfield | 102,549 | .33 | .34 | .27½ | .27½ |
| 1 | .30 | .10 | Base Metals | 4,700 | .14 | .18½ | .15 | .18 |
| 1 | .32 | .09 | Bear Exploration | 69,600 | .10 | .11 | .09⅞ | .10 |
| No | 1.40 | 1.00 | Beattie Gold | 2,450 | 1.20 | 1.25 | 1.18 | 1.22 |
| 1 | .14 | .07½ | Beaufor | 13,200 | .13 | .13 | .12 | .12 |
| 1 | .30 | .15 | Bidgood Kirk | 34,226 | .15½ | .19½ | .15½ | .17 |
| 1 | .35 | .08 | Big Missouri | 1,400 | .12 | .15 | .11½ | .12 |
| 1 | .22 | .08 | Bobjo | 49,400 | .10 | .12 | .09¼ | .11½ |
| 1 | .12 | .04½ | Bouscadillac G.M. | ...... | (.04 bid | .06 asked) | | |
| No | 12.50 | 9.55 | Bralorne | 1,105 | 11.87 | 12.00 | 11.75 | 11.75 |
| 1 | .08 | .04 | Brasil Gold | 500 | .04½ | .05 | .05 | .05 |
| 1 | .03½ | .01 | Brett Trethewey | 7,000 | .01½ | .01½ | .01 | .01½ |
| 1 | .75 | .28 | Broulan | 35,200 | .43 | .46½ | .42 | .42 |
| 1 | 15.50 | 10.00 | Buffalo Ankerite | 2,555 | 11.13 | 11.00 | 10.00 | 10.25 |
| No | .05 | .02½ | Buffalo Can. | ...... | (.02½ bid | .03½ asked) | | |
| 5 | 28.00 | 23.00 | Bulolo Gold | 120 | 23.75 | 23.25 | 23.25 | 23.25 |
| No | .11½ | .05 | Bunker Hill | 1,000 | .08 | .06½ | .06½ | .06½ |
| | | | **C** | | | | | |
| No | 1.03 | .69 | Can. Malartic | 3,550 | .70 | .75 | .70 | .74 |
| 1 | .03½ | .01½ | Capital Rouyn | ...... | (.... bid | .02½ asked) | | |
| 1 | 2.40 | 2.01 | Cariboo Gold | 500 | 2.25 | 2.22 | 2.20 | 2.20 |
| 1 | .06 | .02 | Cartier Malartic | 1,000 | .02½ | .02½ | .02½ | .02½ |
| 1 | 1.05 | .65 | Castle Trethewey | 6,300 | .75 | .80 | .75 | .75 |
| 1 | .25½ | .15 | Cen. Cadillac | 28,200 | .23½ | .24 | .20 | .23 |
| 1 | 2.75 | 2.05 | Cen. Patricia | 4,375 | 2.50 | 2.53 | 2.45 | 2.50 |
| 1 | .14½ | .05 | Cen. Porcupine | 8,900 | .11 | .11 | .10 | .10 |
| 1 | .25 | .15 | Century Mining | 6,750 | .17 | .22½ | .15 | .21 |
| 1 | 1.39 | .85 | Chesterville | 11,450 | 1.15 | 1.17 | 1.10 | 1.12 |
| No | .88 | .50 | Chromium | 600 | .52½ | .54 | .54 | .54 |
| 5 | 2.50 | 1.50 | Coast Copper | ...... | (1.75 bid | 2.05 asked) | | |
| 5 | 2.00 | 1.39 | Coniagas | ...... | (1.60 bid | 1.85 asked) | | |
| No | 2.34 | 1.26 | Coniaurum | 10,755 | 2.08 | 2.08 | 1.95 | 1.95 |
| 1 | .30 | .10 | Con. Chibougamau | 1,100 | .30 | .29 | .25 | .25 |
| 5 | 61.25 | 37.50 | Cons. Smelters | 2,962 | 44.75 | 45.50 | 44.25 | 45.00 |
| | | | **D, E** | | | | | |
| 1 | .08½ | .03 | Darkwater | 100 | .05 | .05 | .05 | .05 |
| 1 | .16 | .09½ | Denison Nickel | 6,500 | .12 | .12½ | .12 | .12 |
| No | 34.25 | 29.00 | Dome Mines | 1,792 | 33.00 | 33.00 | 33.25 | 33.00 |
| 1 | .03½ | .02 | Dom. Explorers | ...... | (.02 bid | .03 asked) | | |
| 1 | .09½ | .04½ | Dorval Siscoe | 7,300 | .06½ | .06½ | .05½ | .06½ |
| 1 | .08 | .02 | Duparquet | 7,500 | .03 | .02¾ | .02¾ | .02¾ |
| 1 | .27 | .14 | Duquesne | 3,525 | .18 | .16½ | .14 | .16 |
| 1 | 2.85 | 2.07 | East Malartic | 30,558 | 2.74 | 2.85 | 2.70 | 2.74 |
| 1 | 2.36 | 1.00 | Eldorado | 6,200 | 1.13 | 1.16 | 1.00 | 1.12 |
| | | | **F, G** | | | | | |
| No | 6.00 | 4.50 | Falconbridge | 1,439 | 5.50 | 5.90 | 5.50 | 5.90 |
| 1 | .08½ | .03½ | Federal | 3,500 | .04½ | .04½ | .04 | .04½ |
| 1 | .17 | .03 | Fernland | 1,500 | .04 | .03½ | .03½ | .03½ |
| No | .77 | .15 | Francoeur Gold | 456,730 | .59 | .77 | .58 | .67 |
| 1 | .11½ | .04 | Gillies Lake | 11,200 | .06½ | .07 | .06½ | .06½ |
| 1 | .05 | .01½ | Glenora | 1,400 | .02½ | .02½ | .02 | .02½ |
| No | .49 | .20 | God's Lake | 145,765 | .36½ | .49 | .36 | .43 |
| 1 | .28 | .15 | Goldale | 12,800 | .19 | .20 | .19 | .19 |
| 50c. | .63 | .29 | Gold Belt | ...... | (.29 July 27) | | | |
| 1 | .13½ | .04½ | Gold Eagle | 23,400 | .07 | .09 | .06 | .09 |
| 1 | .03½ | .01½ | Goodfish | ...... | (.01½ bid | .02 asked) | | |
| 1 | .04 | .02½ | Graham Bousquet | ...... | (.02½ bid | .02¾ asked) | | |
| 1 | .13½ | .02½ | Granada Gold | 1,000 | .03 | .03 | .02½ | .02½ |
| No | .07 | .04½ | Grandora | 2,500 | .05½ | .05½ | .05½ | .05½ |
| 1 | .02½ | .02 | Grull Wihksne | ...... | (.01½ bid | .04 asked) | | |
| 1 | .64 | .40 | Gunnar Gold | 10,600 | .50 | .56 | .49 | .50 |
| | | | **H, I, J** | | | | | |
| 1 | .03½ | .01 | Halcrow Swayze | 19,500 | .02½ | .02¾ | .02½ | .02½ |
| 1 | .08 | .02 | Halliwell Gold | 9,200 | .03 | .03 | .03 | .03 |
| 1 | 1.95 | .94 | Hard Rock | 6,215 | 1.06 | 1.11 | 1.05 | 1.11 |
| 1 | .10 | .06 | Harker | 4,900 | .08 | .09 | .08 | .08 |
| 1 | 1.58 | .70 | Hedley Mascot | ...... | (.72 bid | .78 asked) | | |
| 5 | 15.50 | 13.50 | Hollinger | 3,630 | 15.25 | 15.50 | 15.00 | 15.12 |
| 1 | .36½ | .24 | Howey Gold | 27,550 | .33½ | .37 | .31½ | .33½ |
| No | 35.50 | 25.50 | Hudson Bay | 3,657 | 34.00 | 35.12 | 33.75 | 34.63 |
| 1 | .45 | .21 | Inspiration | 3,000 | .34½ | .35 | .32½ | .34½ |
| 1 | 9.25 | 7.00 | Inter. Mining | ...... | (7.00 Apr. 20) | | | |
| No | 56.37 | 42.75 | Int. Nickel | 6,588 | 49.87 | 50.50 | 49.00 | 49.12 |
| 50c. | 1.26 | 1.04 | Island Mountain | 300 | 1.15 | 1.08 | 1.08 | 1.08 |
| 1 | .11½ | .03 | Jacola | 1,500 | .04½ | .05 | .04 | .05 |
| 1 | .34 | .12 | Jack Waite | 500 | .19½ | .25 | .25 | .25 |
| 1 | .18 | .15 | Jellicoe | 242 | .18 | .20 | .15 | .17 |
| 1 | .11 | .03 | J. M. Cons. Gold | 2,785 | .04½ | .03½ | .03½ | .03½ |
| 1 | .06½ | .03 | Joliet Quebec | 5,500 | .03½ | .04½ | .04 | .04½ |
| | | | **K, L** | | | | | |
| 1 | 2.14 | 1.47 | Kerr Addison | 91,759 | 2.01 | 2.14 | 1.96 | 2.02 |
| 1 | .65 | .30 | Kerr Lake | ...... | (.50 July 17) | | | |
| 1 | .10 | .04 | Kirk. Gold Rand | 1,000 | .04 | .05 | .05 | .05 |
| 1 | .73 | .24 | Kirk. Hud. Bay | 300 | .27 | .25 | .24 | .25 |
| 1 | 1.75 | 1.15 | Kirkland Lake | 9,380 | 1.52 | 1.50 | 1.45 | 1.47 |
| 1 | .13½ | .07 | Kirk. Townsite | ...... | (.08½ bid | .12 asked) | | |
| 1 | 50.50 | 32.75 | Lake Shore | 1,398 | 41.75 | 42.00 | 41.25 | 42.00 |
| No | 7.30 | 5.50 | Lamaque Gold | 3,578 | 7.30 | 7.25 | 7.00 | 7.10 |
| 1 | .54 | .14½ | Lapa Cadillac | 23,300 | .17½ | .20 | .16½ | .20 |
| 1 | .85 | .59 | Lava Cap | ...... | (.72 bid | .80 asked) | | |
| 1 | .08½ | .02½ | Lebel Oro | 10,368 | .03 | .03½ | .02½ | .02½ |
| 1 | .90 | .63 | Leitch Gold | 14,040 | .85 | .86 | .84 | .84 |
| No | 3.60 | 2.60 | Little Long Lac | 3,550 | 3.05 | 3.10 | 2.99 | 2.99 |
| | | | **M** | | | | | |
| 1 | 5.90 | 3.85 | Macassa | 8,755 | 4.70 | 4.90 | 4.70 | 4.90 |
| 1 | 3.20 | 1.70 | MacLeod Cockshutt | 5,000 | 1.93 | 1.99 | 1.91 | 1.95 |
| 1 | .55 | .30 | Madsen Red Lake | 23,830 | .37 | .45 | .37 | .38 |
| 1 | .75 | .43 | Malartic Gold | 43,400 | .66 | .73 | .65 | .69½ |
| No | .17 | .08 | Mandy | 500 | .11 | .12 | .12 | .12 |
| No | .02½ | .00¾ | Man. & Eastern | 29,000 | .02 | .02½ | .02 | .02 |
| 1 | .07 | .02½ | Maralgo | 1,500 | .04 | .04 | .04 | .04 |
| 5 | 59.63 | 49.75 | McIntyre | 685 | 57.00 | 59.37 | 57.87 | 58.87 |
| 1 | 1.38 | 1.00 | McKenzie R. L. | 4,200 | 1.26 | 1.30 | 1.26 | 1.28 |
| 1 | .20½ | .06 | McVittie | 5,400 | .17 | .16½ | .15½ | .15½ |
| No | .75 | .36 | McWatters | 19,800 | .63 | .64 | .59 | .60 |
| 5 | .35 | .30 | Mentor Exploration | ...... | (.31 May 17) | | | |
| No | 2.05 | 1.05 | Mining Corp. | 1,670 | 1.30 | 1.32 | 1.28 | 1.28 |
| No | .03 | .01½ | Minto Mines | ...... | (.01½ bid | .02 asked) | | |
| 1 | 1.45 | .89 | Moneta | 8,950 | 1.05 | 1.09 | 1.01 | 1.01 |
| 1 | .20 | .06 | Morris Kirk. | 102,406 | .07½ | .09½ | .07½ | .09 |
| 1 | .02½ | .01 | Murphy | ...... | (.01½ bid | .01¾ asked) | | |
| | | | **N, O** | | | | | |
| 1 | .51½ | .14 | Naybob | 212,725 | .16 | .21 | .16 | .17½ |
| No | .09 | .02½ | Newbec | 4,500 | .02½ | .03 | .02½ | .03 |
| 1 | .25 | .09 | New Golden Rose | 3,000 | .11 | .18 | .15 | .15 |
| 1 | .60 | .20 | New True Fissure | 12,800 | .30 | .34 | .25 | .34 |
| 5 | 1.80 | 1.28 | Nipissing | 700 | 1.35 | 1.35 | 1.34 | 1.35 |
| No | 84.00 | 70.00 | Noranda | 6,494 | 83.00 | 83.00 | 82.00 | 83.00 |
| No | .60 | .40 | Nor. Canada | ...... | (.51 bid | .... asked) | | |
| 1 | .06½ | .03½ | Norgold | 100 | .04½ | .04½ | .04½ | .04½ |
| No | .70 | .30 | Normetals | 4,220 | .58 | .65 | .60 | .61 |
| 1 | 9.25 | 8.00 | Northern Empire | 165 | 9.25 | 9.45 | 9.25 | 9.45 |
| 1 | 3.25 | 1.95 | O'Brien | 7,775 | 2.35 | 2.33 | 2.10 | 2.12 |
| 1 | .53 | .28 | Omega | 8,529 | .30½ | .37 | .33 | .34 |
| No | .52½ | .21 | Oro Plata | 3,500 | .26 | .30 | .25½ | [illegible] |
| 1 | .14 | .07 | Osisko | ...... | (.12 bid | .20 asked) | | |
| | | | **P, Q, R** | | | | | |
| No | 4.85 | 2.10 | Pamour | 24,987 | 2.30 | 2.39 | 2.10 | 2.20 |
| 1 | .16 | .04 | Pandora | 2,705 | .06 | .05½ | .05 | .05½ |
| 1 | 2.55 | 2.10 | Pato Cons. G. | 1,375 | 2.20 | 2.20 | 2.15 | 2.20 |
| 1 | .07½ | .03 | Partanen Mal. | 6,000 | .04½ | .05 | .04½ | .04½ |
| 1 | .07½ | .02 | Paulore | 11,000 | .02 | .02½ | .02 | .02 |
| 1 | .02 | .00½ | Pawnee Kirk. | ...... | (.01½ bid | .01½ asked) | | |
| 1 | .61 | .35 | Paymaster | 21,753 | .48 | .49½ | .46 | .47 |
| 1 | 1.95 | 1.21 | Pend Oreille | 9,800 | 1.41 | 1.55 | 1.36 | 1.50 |
| 1 | 2.05 | 1.45 | Perron Gold | 4,450 | 1.90 | 2.00 | 1.90 | 1.91 |
| 1 | .01 | .00½ | Peterson Cobalt | ...... | (.00½ bid | .01 asked) | | |
| 1 | 5.60 | 4.40 | Pickle Crow | 1,765 | 4.70 | 4.70 | 4.65 | 4.65 |
| 1 | 2.70 | 2.25 | Pioneer Gold B.C. | 1,035 | 2.45 | 2.42 | 2.40 | 2.41 |
| 1 | 14.50 | 12.00 | Placer Devel. | ...... | (12.50 bid | .... asked) | | |
| 1 | 2.45 | 1.18 | Powell Rouyn | 3,300 | 1.94 | 1.95 | 1.89 | 1.90 |
| 1 | 2.40 | 1.71 | Premier Gold | 1,250 | 1.85 | 1.85 | 1.80 | 1.80 |
| 1 | 1.75 | 1.17 | Preston E. Dome | 25,700 | 1.55 | 1.60 | 1.53 | 1.55 |
| No | .58 | .40 | Prospectors Air's. | ...... | (.40 bid | .55 asked) | | |
| 1 | .65 | .33 | Quebec Gold | 900 | .34 | .38 | .38 | .38 |
| No | .15 | .04 | Quemont | ...... | (.... bid | .15 asked) | | |
| No | .09 | .03½ | Red Crest | 3,500 | .03½ | .03½ | .03½ | .03½ |
| 1 | .56 | .20 | Reno Gold | 4,600 | .47 | .49 | .47 | .47 |
| 1 | .30 | .20 | Reeves McD. | 200 | .25 | .20 | .20 | .20 |
| 1 | .05½ | .01½ | Reward | 3,000 | .02 | .02 | .02 | .02 |
| 1 | .01½ | .00½ | Robb Montbray | 770 | .01 | .00½ | .00½ | .00½ |
| 1 | .11½ | .05½ | Roche Long Lac | 2,600 | .06 | .07½ | .06½ | .07½ |
| | | | **S** | | | | | |
| 1 | 2.03 | 1.18 | San Antonio | 2,211 | 1.98 | 2.03 | 1.91 | 1.99 |
| 1 | .17 | .10 | Sand River | 9,000 | .10 | .11 | .10 | .10 |
| 1 | .07½ | .02 | Shawkey | 1,000 | .02½ | .02½ | .02½ | .02½ |
| 50c. | 1.25 | .90 | Sheep Creek | 5,050 | 1.20 | 1.25 | 1.22 | 1.24 |
| 1 | 1.44 | .85 | Sherritt Gordon | 31,452 | 1.02 | 1.11 | 1.00 | 1.03 |
| 1 | 7.70 | 5.50 | Sigma Mines | 1,400 | 7.70 | 7.60 | 7.50 | 7.50 |
| 1 | 1.65 | .95 | Siscoe | 14,560 | 1.15 | 1.28 | 1.16 | 1.22 |
| 1 | .80 | .37 | Sladen Malartic | 22,600 | .42 | .48 | .43 | .46 |
| 1 | .13 | .04 | Slave Lake | 1,500 | .05 | .05½ | .05½ | .05½ |
| No | 1.03 | .43 | Stadacona | 229,235 | .53 | .63 | .54 | .58 |
| 1 | .15½ | .08 | St. Anthony | 7,900 | .08 | .09 | .08½ | .09 |
| No | .11 | .03½ | Straw Lake | 26,000 | .03½ | .04½ | .03½ | .04½ |
| 1 | .24½ | .09 | Sturgeon River | 100 | .15 | .15 | .15 | .15 |
| No | 2.99 | 1.80 | Sudbury Basin | 1,470 | 2.20 | 2.30 | 2.15 | 2.25 |
| 1 | .14½ | .05½ | Sudbury Contact | 1,000 | .07½ | .07½ | .07 | .07 |
| 1 | 1.01 | .73 | Sullivan Cons. | 3,544 | .82 | .85 | .81 | .85 |
| 1 | 3.55 | 2.78 | Sylvanite | 3,120 | 3.35 | 3.45 | 3.30 | 3.35 |
| | | | **T, U, V, W, Y** | | | | | |
| 1 | 4.70 | 3.80 | Teck Hughes | 3,065 | 4.20 | 4.30 | 4.20 | 4.20 |
| 1 | .14½ | .06½ | Temiskaming | 3,500 | .09 | .09 | .07½ | .07½ |
| 1 | 2.30 | 1.65 | Toburn Gold | 470 | 1.90 | 1.86 | 1.75 | 1.83 |
| 1 | .40 | .20 | Towagmac | 4,700 | .37 | .39 | .33 | .33 |
| 1 | 1.65 | 1.08 | Uchi Gold | 6,355 | 1.16 | 1.20 | 1.15 | 1.16 |
| | 97.75 | 95.00 | Do., Bonds | $1,000 | 96.50 | 96.00 | 96.00 | 96.00 |
| No | 5.80 | 4.30 | Ventures | 1,787 | 4.90 | 4.95 | 4.80 | 4.80 |
| No | 8.25 | 5.50 | Waite Amulet | 2,533 | 7.15 | 7.15 | 6.90 | 6.90 |
| 1 | .15 | .08½ | Wendigo | 3,000 | .09 | .10 | .09 | .09 |
| No | .01½ | .00½ | White Eagle | 1,000 | .01 | .01 | .01 | .01 |
| 1 | .05 | .01½ | Whitewater Mines | ...... | (.02½ bid | .02¾ asked) | | |
| 1 | .08½ | .03½ | Wiltsey Coghlan | 1,500 | .03½ | .04½ | .04½ | .04½ |
| 1 | .19 | .08½ | Wood Cadillac | 8,300 | .14 | .14 | .12½ | .12½ |
| No | 8.90 | 7.30 | Wright-Hargreaves | 7,130 | 8.15 | 8.20 | 8.05 | 8.10 |
| No | .09 | .05 | Ymir Girl | ...... | (.05 bid | .05½ asked) | | |

### Oil Stocks

| Par Val. | Range 1939 High | Low | Company | Sales | Close July 31 (or last) | High for week | Low for week | Close Aug. 7 |
|---|---|---|---|---|---|---|---|---|
| No | .09½ | .04 | Acme Gas & Oil | ...... | (.04½ bid | .06 asked) | | |
| 1 | .30 | .12 | Alta. Pac. Cons. | ...... | (.14 bid | .21 asked) | | |
| 1 | .30 | .15 | Ajax | 600 | .17 | .16 | .15 | .15 |
| No | 1.52 | .80 | Anglo Canadian | 3,620 | .97 | .98 | .93 | .95 |
| 1 | .15½ | .09 | Anaconda | ...... | (.07 bid | .09 asked) | | |
| 1 | .21½ | .07 | Br. Dominion | 3,600 | .11 | .12½ | .11 | .12½ |
| No | .38 | .18 | Brown Oil | 4,200 | .23½ | .23 | .22½ | .22½ |
| 100 | 65.00 | 48.00 | Do., pref. | ...... | (62.00 bid | .... asked) | | |
| No | 2.80 | 1.81 | Calgary & Ed. | 600 | 1.95 | 2.00 | 1.95 | 1.95 |
| 1 | .65 | .28 | Calmont | 200 | .32 | .30 | .30 | .30 |
| No | .55 | .31 | Commoil | ...... | (.32 bid | .35 asked) | | |
| No | .36 | .21 | Common Pete | 100 | .26½ | .25 | .25 | .25 |
| No | .75 | .33 | Dalhousie | 854 | .35 | .39 | .33 | .39 |
| No | .60 | .25 | Davies Pete | 6,600 | .28 | .30 | .28 | .28 |
| No | .13 | .05 | East Crest | 1,000 | .05½ | .06 | .06 | .06 |
| 25c. | .13 | .07½ | Firestone Pete | 800 | .08 | .08 | .08 | .08 |
| No | 1.45 | .50 | Foothills | 50 | .55 | .60 | .60 | .60 |
| 25c. | .14½ | .08½ | Foundation Pete | ...... | (.09 bid | .10 asked) | | |
| No | .20 | .10 | Hargal | ...... | (.10 Jan 6) | | | |
| No | .25 | .15 | High Sarcee | 200 | .16 | .17½ | .17½ | .17½ |
| No | 3.75 | 1.98 | Home | 5,490 | 2.25 | 2.25 | 2.15 | 2.15 |
| 1 | .26½ | .07 | Homestead O. & G. | 3,700 | .09 | .09 | .08 | .08½ |
| No | .23 | .09 | McD. Segur | ...... | (.11½ bid | .12½ asked) | | |
| No | .07 | .03 | Merland | ...... | (.03½ bid | .04½ asked) | | |
| 1 | .48 | .26 | Model | ...... | (.24 bid | .30 asked) | | |
| 25c. | .12½ | .07 | Monarch Royalties | ...... | (.07½ bid | .11 asked) | | |
| 1 | .13 | .04½ | Nordon | 500 | .06 | .05 | .05 | .05 |
| No | .03½ | .01½ | Oil Selections | 5,000 | .02 | .02 | .02 | .02 |
| No | 1.73 | .91 | Okalta | 1,600 | 1.05 | 1.05 | 1.00 | 1.00 |
| No | .02½ | .01 | Olga Gas & Oil | ...... | (.01½ bid | .01½ asked) | | |
| 1 | .12 | .04½ | Pacalta | 2,500 | .05 | .05 | .04½ | .05 |
| 1 | .30 | .25 | Petrol Oil & Gas | ...... | (.25 bid | .35 asked) | | |
| 25c. | .25 | .17 | Prairie Royalties | 500 | .23½ | .23½ | .23½ | .23½ |
| No | 45.63 | 31.75 | Royalite | 500 | 34.00 | 35.00 | 34.75 | 34.75 |
| No | .75 | .29 | South West Pete | ...... | (.39 bid | .70 asked) | | |
| No | .11½ | .04 | South End | ...... | (.02 bid | .04 asked) | | |
| 1 | 1.30 | .50 | Texas Can. | 1,150 | .50 | .66½ | .66 | .66 |
| No | .15½ | .07 | United Oils | ...... | (.07½ bid | .08½ asked) | | |
| No | 1.00 | .45 | Vulcan | ...... | (.45 July 19) | | | |
| No | .08½ | .04 | West Flank | 1,000 | .04½ | .04½ | .04½ | .04½ |

## Vancouver Stocks

| Par Val. | Range 1939 High | Low | Company | Sales | Close July 31 (or last) | High for week | Low for week | Close Aug. 7 |
|---|---|---|---|---|---|---|---|---|
| 1 | .30 | .10 | Big Missouri | 5,000 | .13 | .13 | .12 | .13 |
| 25c. | .01½ | .01½ | Bluebird | ...... | (.01½ Apr. 6) | | | |
| No | 12.50 | 9.50 | Bralorne | 475 | 11.60 | 11.90 | 11.75 | 11.65 |
| 1 | .03½ | .02 | Bridge River Cons. | ...... | (.02 bid | .03 asked) | | |
| 1 | 2.40 | 2.01 | Cariboo Gold | 1,500 | 2.25 | 2.23 | 2.20 | 2.23 |
| No | .06½ | .02 | Dentonia | 11,500 | .02½ | .02¾ | .02½ | .02¾ |
| No | .07 | .02¾ | Fairview Amal. | 1,000 | .03 | .03½ | .03½ | .03½ |
| 1 | .01½ | .00½ | Federal Gold | ...... | (.00½ bid | .... asked) | | |
| 1 | .33 | .20 | George Copper | ...... | (.20 bid | .... asked) | | |
| 1 | .06 | .03 | Golconda | 2,000 | .05 | .05½ | .05½ | .05½ |
| 50c. | .62 | .24 | Gold Belt | 4,200 | .30 | .30 | .25 | .27 |
| 50c. | .08½ | .03½ | Grand View | 3,850 | .04½ | .06 | .05½ | .06 |
| 1 | .03¼ | .02 | Grull Wihksne | ...... | (.01½ bid | .02 asked) | | |
| 1 | 1.54 | .72 | Hedley Mascot | 4,300 | .76 | .76 | .74 | .74 |
| No | .01 | .00½ | Home Gold | ...... | (.00½ bid | .... asked) | | |
| 1 | .01½ | .00¾ | Indian Mines | ...... | (.00½ bid | .01½ asked) | | |
| 50c. | 1.40 | 1.01 | Island Mountain | 500 | 1.08 | 1.08 | 1.08 | 1.08 |
| 1 | .34 | .27 | Inter'tl Coal | ...... | (.32 bid | .... asked) | | |
| 50c. | 1.55 | .61 | Kootenay Belle | 2,285 | .75 | .77 | .75 | .77 |
| 10c. | .03 | .01 | Lucky Jim | 69,000 | .01 | .01½ | .01 | .01½ |
| No | .02 | .00½ | Mak Siccar | ...... | (.00½ bid | .... asked) | | |
| 10c. | .33 | .28 | Metaline Mining | ...... | (.28 June 10) | | | |
| 1 | .23 | .21 | McGillivray Creek | ...... | (.20 bid | .... asked) | | |
| No | .03 | .01½ | Minto Mines | 700 | .01½ | .01½ | .01½ | .01½ |
| 5c. | .04½ | .02 | Nicola | 5,000 | .02½ | .03 | .03 | .03 |
| 50c. | .04½ | .01 | Noble Five | 7,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .22 | .10 | Pacific Nickel | ...... | (.13 bid | .15 asked) | | |
| 1 | 1.90 | 1.24 | Pend Oreille | 1,420 | 1.45 | 1.53 | 1.46 | 1.50 |
| No | .00¾ | .00½ | Pilot Gold | ...... | (.00½ bid | .... asked) | | |
| 1 | 2.70 | 2.28 | Pioneer Gold | 1,050 | 2.40 | 2.43 | 2.39 | 2.43 |
| 50c. | .03 | .00½ | Porter Idaho | ...... | (.01½ bid | .... asked) | | |
| No | .01¾ | .00¾ | Premier Border | 1,000 | .00½ | .00½ | .00½ | .00½ |
| 1 | 2.40 | 1.71 | Premier Gold | 3,050 | 1.88 | 1.90 | 1.81 | 1.90 |
| No | 1.45 | 1.06 | Privateer Mines | 8,950 | 1.21 | 1.19 | 1.15 | 1.15 |
| 1 | .04 | .02 | Quatsino Copper | ...... | (.02½ bid | .03 asked) | | |
| 50c. | .01½ | .01¼ | Red Hawk | ...... | (.01½ Feb. 11) | | | |
| 1 | .15½ | .09 | Relief Arlington | 1,500 | .13½ | .13 | .12½ | .12½ |
| No | .32 | .18 | Reeves McDonald | ...... | (.20 bid | .25 asked) | | |
| 1 | .58 | .22 | Reno Gold | 7,100 | .49 | .49½ | .48 | .48 |
| 1 | .06 | .01¾ | Reward Mining | 4,500 | .02 | .02 | .02 | .02 |
| 1 | .01½ | .00½ | Rufus Argenta | ...... | (.00½ bid | .01 asked) | | |
| 1 | .09 | .02 | Sally Mines | 5,000 | .09 | .03 | .03 | .03 |
| 50c. | .12 | .03 | Salmon Gold | 17,200 | .05 | .04½ | .03 | .03½ |
| 50c. | 1.25 | .91 | Sheep Creek | 8,750 | 1.20 | 1.25 | 1.21 | 1.22 |
| 1 | 1.85 | 1.25 | Silbak Premier | 730 | 1.32 | 1.28 | 1.25 | 1.27 |
| No | .02 | .00½ | Silvercrest | ...... | (.00½ bid | .... asked) | | |
| 1 | .15 | .08 | Sunloch | ...... | (.08 May 3) | | | |
| 50c. | .27 | .13 | Surf Inlet | ...... | (.16 bid | .... asked) | | |
| No | .06½ | .02½ | Taylor Bridge | ...... | (.05 bid | .06½ asked) | | |
| No | .06½ | .02½ | Vidette Gold | ...... | (.04 bid | .06 asked) | | |
| 50c. | .00¾ | .00½ | Waverley Tangier | 5,000 | .00½ | .00½ | .00½ | .00½ |
| 20c. | .02 | .00½ | Wellington | ...... | (.00¾ bid | .... asked) | | |
| 50c. | .01½ | .00¾ | Wesko | ...... | (.00½ bid | .01 asked) | | |
| 1 | .04¾ | .01¾ | Whitewater | 2,000 | .02½ | .02½ | .02½ | .02½ |
| No | .08 | .03½ | Ymir Yankee Girl | 300 | 5 | 6 | 5 | 5 |

## Oil Quotations

| Par Val. | Range 1939 High | Low | Company | Sales | Close July 31 (or last) | High for week | Low for week | Close Aug. 7 |
|---|---|---|---|---|---|---|---|---|
| 1 | .30 | .13 | Alta. Pac. Cons. | 1,100 | .15 | .15 | .14 | .15 |
| 1 | .01 | .00½ | Amalgamated | ...... | (.00½ bid | .00¾ asked) | | |
| No | 1.52 | .84 | Anglo C. Develop. | 1,400 | .98 | .98 | .93 | .93 |
| 1 | .16 | .07½ | Anaconda | 1,100 | .08 | .08 | .07½ | .07½ |
| No | .08 | .06 | Associated Oil | ...... | (.06 May 28) | | | |
| No | .04 | .01 | Baltac | 250 | .02 | .01 | .01 | .01 |
| 1 | .19½ | .06 | Brit. Dominion | ...... | (.12 bid | .13½ asked) | | |
| No | .33 | .19 | Brown Oil | 4,000 | .22 | .22½ | .21½ | .22½ |
| No | 2.75 | 1.86 | Calgary & Ed. | 960 | 2.00 | 2.00 | 1.90 | 1.90 |
| 1 | .64 | .28 | Calmont | 1,250 | .32 | .32 | .31 | .31 |
| No | .58 | .32 | Commoil | ...... | (.31 bid | .... asked) | | |
| 1 | .36 | .22½ | Commonwealth | 1,000 | .26 | .26 | .26 | .26 |
| No | .68 | .34 | Dalhousie | ...... | (.35 bid | .... asked) | | |
| No | .59 | .27 | Davies Pete | ...... | (.31 July 28) | | | |
| No | .12 | .06 | East Crest | ...... | (.... bid | .06½ asked) | | |
| 25c. | .13 | .07 | Firestone | ...... | (.07½ bid | .... asked) | | |
| No | 1.40 | .55 | Foothills | 300 | .55 | .55 | .55 | .55 |
| No | .17½ | .02 | Freehold | 1,500 | .03 | .03½ | .03 | .03½ |
| No | .13 | .09 | Foundation Pete | ...... | (.10 June 22) | | | |
| No | .15½ | .08½ | Four Star | 3,000 | .15 | .14½ | .13½ | .14 |
| No | .20 | .08½ | Hargal | 300 | .20 | .19 | .19 | .19 |
| No | .35 | .15 | High Sarcee | ...... | (.15½ bid | .... asked) | | |
| No | 3.75 | 2.00 | Home Oil | 1,675 | 2.24 | 2.25 | 2.15 | 2.15 |
| No | .07½ | .02 | Madison | 5,000 | .03 | .03 | .03 | .03 |
| No | .09 | .04 | Marjon Oil | 9,900 | .04½ | .04½ | .04½ | .04½ |
| No | .22½ | .11½ | McD. Segur Ex. | 1,000 | .13 | .12 | .12 | .12 |
| 1 | .22 | .12 | McLeod | ...... | (.... bid | .12 asked) | | |
| No | .13 | .05½ | Mercury | ...... | (.06 bid | .... asked) | | |
| No | .07½ | .03½ | Mill City Pete | 500 | .05 | .05½ | .05½ | .05½ |
| No | .05½ | .04½ | Midwest Pete | ...... | (.02½ bid | .... asked) | | |
| 1 | .47 | .24 | Model | ...... | (.24½ bid | .... asked) | | |
| 25c. | .11 | .07½ | Monarch Royal | 750 | .08 | .08 | .07½ | .07½ |
| 25c. | .60½ | .08 | National Pete | ...... | (.11 July 29) | | | |
| 1 | .12 | .05 | Nordon | ...... | (.05 June 7) | | | |
| No | 2.00 | .95 | Okalta | 1,400 | 1.05 | 1.05 | 1.04 | 1.04 |
| No | .12 | .04½ | Pacalta Oil | 2,000 | .04½ | .04½ | .04½ | .04½ |
| 25c. | .24½ | .18 | Prairie Royal | 1,500 | .24 | .24½ | .24 | .24 |
| No | 45.00 | 32.50 | Royalite | 31 | 34.50 | 35.00 | 34.00 | 35.00 |
| No | .22 | .15½ | Royal Canadian | 21,700 | .19½ | .20 | .17½ | .18 |
| No | .75 | .30 | Southwest Pete | 200 | .42 | .40 | .40 | .40 |
| No | .11½ | .03 | South End | ...... | (.02½ bid | .... asked) | | |
| 1 | .12 | .04 | Spooner | ...... | (.09 July 28) | | | |
| 25c. | .40 | .30 | Sunset Oil | 700 | .38½ | .39 | .38½ | .38½ |
| No | .16 | .07½ | United | 700 | .08½ | .08 | .08 | .08 |
| No | .13 | .04½ | Vanalta | 1,000 | .05 | .05 | .05 | .05 |
| 1 | .90 | .48 | Vulcan | 1,300 | .50 | .50 | .50 | .50 |
| No | .07½ | .06½ | West Flank | ...... | (.06½ Jan. 18) | | | |

## Winnipeg Stocks

(Transactions from July 31 to Aug. 5)

| | Sales | High for period | Low for period | Close Aug. 5 |
|---|---|---|---|---|
| Big Master | 1,000 | .02½ | .02½ | .02½ |
| Central Manitoba | 1,350 | .04 | .03 | .04 |
| Beresford Lake | 400 | .30 | .20 | .20 |
| Franco Oils | 7,900 | .63 | [illegible] | [illegible] |
| Flin Flon | 15,500 | [illegible] | | |
| Great-West Life | 1 | 240.00 | 240.00 | 240.00 |
| Great Falls M. & S. | 500 | [illegible] | | |
| Gurney Gold | 8,500 | .03 | .03 | .03 |
| Ore Grande | 10,200 | .08½ | .08¼ | .08¼ |
| Packsack | 2,000 | .05 | .05 | .05 |
| Sachigo River | 215 | 9.50 | 9.00 | 9.50 |
| Marvel Oils | 5,000 | .02 | .02 | .02 |
| Sovereign Life | 5 | 12.00 | 12.00 | 12.00 |
| Rice Lake | 8,000 | .01 | .00⅞ | .01 |
| Scotia Gold | 4,000 | .00¾ | .00¾ | .00¾ |
| United Grain Growers | 11 | 6.50 | 6.37 | 6.37 |
| Western Breweries | 280 | 1.51 | 1.45 | 1.45 |
| Walker Patricia | 2,000 | .04½ | .04½ | .04½ |
| Wingold | 15,900 | .05½ | .04¼ | .05 |

### Stocks Not Traded in During Week

| | Bid | Asked |
|---|---|---|
| Beaver Fire | 75 | ... |
| Beaver Lum., c. | 2⅝ | ... |
| Beaver Lum., pf. | 90 | 100 |
| Can. Indemnity | 125 | .. |
| Dom. Envelope | 2 | 3 |
| Do., pref. | *96 | 98 |
| Fed. Grain, com. | .. | 1.50 |
| Fed. Grain, pfd. | .. | 23 |
| Home Invest | 12 | |
| North. Trusts | 6 | .. |
| N. Can. Mtge., pf. | 2⅛ | |
| Reliance Gr., pf. | .. | 32 |
| Traders Bldg. | 55 | .. |
| West. Grain, pf. | .. | 5 |
| West. Steel | .. | 7 |

*Stocks more active on other exchanges not included.

## Volume of Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & Mines | Vancouver Markets Ind. & Mines |
|---|---|---|---|---|
| Aug. 8 | 20,600 | 52,000 | 321,000 | 38,150 |
| Aug. 7 | 9,800 | 80,700 | ...... | ...... |
| Aug. 5 | 6,900 | 31,500 | 128,000 | 22,410 |
| Aug. 4 | 11,600 | 45,700 | 366,000 | 32,910 |
| Aug. 3 | 13,800 | 74,700 | 553,000 | 47,119 |
| Aug. 2 | 12,000 | 100,000 | 672,000 | 33,793 |

## Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Aug. 8, 1939

| % | Due | Bid | Ask | Approx. Yld. |
|---|---|---|---|---|
| | **Dominion of Canada Bonds** | | | |
| 2 | Nov. '39 | 100¼ | ... | ... |
| 2½ | Oct. '39 | 100⅛ | ... | ... |
| 4 | Oct. '39 | 100⅛ | ... | ... |
| 1½ | June '40 | 100 | 100½ | .92 |
| 4½ | Sept. '40 | 103¼ | 103¾ | 1.13 |
| 1 | Mar. '41 | 99¼ | 99¾ | 1.05 |
| 5 | Nov. '41 | 107 | 107½ | 1.70 |
| 1½ | May '42 | 99⅞ | 100⅜ | 1.46 |
| 2 | June '42 | 101 | 101½ | 1.47 |
| 3 | Oct. '42 | 104 | 104½ | 1.57 |
| 2½ | June '43 | 102⅞ | 103⅜ | 1.60 |
| 5 | Oct. '43 | 111½ | 112 | 2.03 |
| 2 | June '44 | 100⅞ | 101⅜ | 1.70 |
| a2½ | June '44 | 102½ | 103 | b1.35 |
| 4½ | Oct. '44 | 111⅜ | 111⅞ | 2.10 |
| 2½ | Nov. '44 | 102⅞ | 103⅜ | 1.83 |
| a2½ | Aug. '45 | 103½ | 104 | b1.46 |
| 4 | Oct. '45 | 107½ | 108 | b2.02 |
| 4½ | Feb. '46 | 112⅜ | 112⅞ | 2.35 |
| 3½ | June '49 | 103½ | 104 | b2.61 |
| 3½ | Oct. '49 | 103⅞ | 104⅜ | b2.59 |
| 3½ | Nov. '51 | 102⅞ | 103⅜ | b2.83 |
| a3 | May '52 | 109¼ | 109¾ | b1.34 |
| 4 | Oct. '52 | 107⅞ | 108⅜ | b2.88 |
| 3 | June '53 | 99⅞ | 100⅜ | b2.96 |
| 4½ | Nov. '56 | 110½ | 111 | b2.81 |
| 4½ | Nov. '57 | 110⅞ | 111⅜ | b2.92 |
| 3 | June '58 | 99⅞ | 100⅜ | b2.99 |
| 4½ | Nov. '58 | 111⅝ | 112⅛ | b2.97 |
| 4½ | Nov. '59 | 112⅞ | 113⅜ | b3.00 |
| a4 | Oct. '60 | 109⅜ | 110⅛ | b2.90 |
| a3½ | Jan. '61 | 105⅞ | 106⅜ | b2.76 |
| 3½ | June '66 | 101⅞ | 102⅜ | b3.08 |
| a3e | Jan. '67 | 102¼ | 102⅞ | 2.85 |
| a3e | Nov. '68 | 101½ | 102¼ | 2.88 |
| a3 | Perpet'l. | 93⅞ | 94¼ | 3.18 |
| | **Dominion Guaranteed Bonds** | | | |
| | **Can. Nat'l. Railways:** | | | |
| 2 | Feb. '43 | 100½ | 101¼ | 1.65 |
| 2½ | Jan. '46 | 99⅜ | 100⅛ | 2.12 |
| 3 | May '44 | 104¼ | 105¼ | 1.84 |
| 3 | Dec. '50 | 100 | 101 | b2.82 |
| 3 | Feb. '53 | 99⅜ | 100⅜ | b2.90 |
| 3 | Jan. '59 | 98¼ | 99¼ | 3.02 |
| *4½ | Sept. '51 | 115 | 116 | 2.91 |
| *4½ | Feb. '56 | 116 | 117 | 3.17 |
| c4½ | July '57 | 116 | 117 | 3.25 |
| *4½ | June '55 | 118 | 119 | 3.22 |
| 5 | Feb. '54 | 119 | 120 | 3.26 |
| *5 | July '69 | 115½ | 116½ | b2.34 |
| *5 | Oct. '69 | 119⅜ | 120⅜ | b3.03 |
| *5 | Feb. '70 | 119½ | 120½ | b3.13 |
| | **Provincial Gov't. Bonds** | | | |
| | **New Brunswick:** | | | |
| 3 | Oct. '51 | 94½ | 95½ | 3.45 |
| 3½ | Aug. '49 | 96½ | 97½ | 3.57 |
| 3½ | June '56 | 98 | 99 | 3.56 |
| c4 | Nov. '47 | 103½ | 104½ | b3.20 |
| c4½ | Apr. '61 | 108 | 109 | 3.89 |
| c5 | Jan. '60 | 114 | 115 | 3.93 |
| | **Nova Scotia:** | | | |
| 3 | Jan. '52 | 98 | 99 | 3.10 |
| 3½ | June '56 | 99½ | 100½ | 3.21 |
| 3½ | Nov. '50 | 101½ | 102½ | 3.26 |
| c4½ | Sept. '52 | 109⅜ | 110⅜ | b3.00 |
| c4½ | Nov. '60 | 112 | 113 | 3.62 |
| c5 | Mar. '60 | 119 | 120½ | 3.57 |
| | **Ontario:** | | | |
| 2½ | May '45 | 101½ | 102½ | 2.09 |
| 3 | Apr. '48 | 100 | 101 | b2.83 |
| 3 | Nov. '50 | 99⅜ | 100⅜ | b2.90 |
| 3½ | Nov. '51 | 102 | 103 | b2.91 |
| *4 | June '62 | 109 | 110½ | 3.34 |
| 4½ | June '50 | 112½ | 113½ | 3.07 |
| *4½ | Jan. '62 | 115 | 116½ | 3.44 |
| 5 | Oct. '48 | 114 | 115 | 3.10 |
| *5 | Dec. '60 | 122½ | 124 | 3.42 |
| 5½ | July '46 | 114½ | 115½ | 3.04 |
| | **Ont. Hydro Commission:** | | | |
| 3 | Aug. '48 | 100 | 101 | b2.84 |
| 3½ | Feb. '53 | 101½ | 102½ | b3.00 |
| 3½ | Apr. '47 | 103½ | 104½ | 2.87 |
| | **Prince Edward Island:** | | | |
| 3 | Oct. '45 | 99½ | 101 | 2.82 |
| | **Quebec:** | | | |
| 3 | Nov. '47 | 98 | 99 | 3.13 |
| 3 | Nov. '51 | 96 | 97 | 3.30 |
| 3½ | Mar. '48 | 98½ | 99½ | 3.27 |
| 3½ | June '52 | 98 | 99 | 3.35 |
| 4 | Mar. '52 | 104 | 105 | 3.51 |
| 4½ | Aug. '58 | 106½ | 108 | 3.60 |
| 4½ | Jan. '63 | 109 | 110½ | 3.82 |
| | **Alberta:** | | | |
| 4 | Dec. '54 | 59½ | 63½ | d |
| 4½ | Oct. '51 | 63 | 67 | d |
| c4½ | Oct. '56 | 61 | 65 | d |
| *5 | Oct. '59 | 63½ | 67½ | d |
| c5½ | Apr. '52 | 64½ | 68½ | d |
| 6 | Mar. '47 | 68 | 72 | d |
| | **British Columbia:** | | | |
| c4 | Dec. '57 | 99½ | 102½ | 3.81 |
| *4½ | Jan. '51 | 102⅞ | 105½ | 3.87 |
| c4½ | Oct. '53 | 102½ | 105½ | 4.00 |
| c5 | Apr. '54 | 105 | 108 | 4.27 |
| 5½ | Feb. '45 | 104½ | 107½ | 3.90 |
| 6 | Feb. '47 | 106⅜ | 109⅜ | 4.40 |
| | **Manitoba:** | | | |
| c4 | Dec. '37 | 87 | 91 | 4.74 |
| c4½ | Dec. '36 | 91 | 95 | 4.92 |
| *5 | Dec. '59 | 95½ | 99½ | 5.08 |
| 5½ | Oct. '55 | 96 | 100 | 5.50 |
| 6 | Apr. '47 | 99 | 103 | 5.51 |
| | **Saskatchewan:** | | | |
| 4 | Sept. '54 | 66½ | 70½ | 7.30 |
| 4 | Nov. '60 | 65½ | 69½ | 6.72 |
| c4½ | Oct. '51 | 77 | 81 | 6.78 |
| c4½ | Mar. '60 | 72½ | 76½ | 6.90 |
| 5 | Aug. '58 | 77⅜ | 81⅜ | 6.71 |
| 5½ | Oct. '52 | 79½ | 83½ | 7.45 |
| 6 | Mar. '52 | 82 | 86 | 7.71 |

*Payable Can., N.Y. & L. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium.

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 8, 1939

| | Bid | Ask. |
|---|---|---|
| **Industrials:** | | |
| Acme Farm., p. | 12 | 14 |
| Andian National | 32 | 34 |
| Anglo C. Tel., A | 8½ | 8¾ |
| Barrymore, pfd. | 21½ | .. |
| B. C. Pulp, c. | 6½ | 7 |
| Do., pfd. | 20 | 25 |
| B. C. Sugar | 80½ | 82½ |
| Burns & Co., A | 3 | 3½ |
| Do., B | 1 | 1½ |
| Canada Tea, pf. | 22 | 25 |
| Can. Co-op. W'l. | 7 | .. |
| Can. G'drich, c. | 1½ | .. |
| C. I. L., A c. | 213 | .. |
| Can. Ing. Rand | 122 | 125 |
| Can. Tube, 1st p. | 60 | .. |
| Chase, A. W., p. | 25½ | 26½ |
| Claude Neon, p. | 6¾ | 7½ |
| Cons. Sales B., p. | .. | 79 |
| Cope. Flour Unit | 7 | 7½ |
| Dom. Wool., p. | ¾ | 1½ |
| Dunlop Tire, p. | 22¾ | 23½ |
| Easy Washing, p. | .. | 8½ |
| Fed. Grain, pfd. | 20 | 21½ |
| Do., com. | ¾ | 1 |
| Goderich Elev. | 6¾ | 6¾ |
| Guard. Realty, p. | 16 | .. |
| Guelph Carp., p. | 101 | 102½ |
| Do., com. | 10 | 11 |
| Hayes Steel, c. | 14½ | 15½ |
| Do., pfd. $10 | 10 | 10½ |
| Hi'land Dairy, p. | 73½ | .. |
| Do., com. | 2½ | .. |
| Kingston Sh. un. | 11½ | 12 |
| Loblaw Inc., c. | 10½ | 11 |
| M'row Screw, p. | 97½ | 101½ |
| Mt. Royal H., p. | 2½ | 2¾ |
| Neilson, Wm., c. | 9½ | .. |
| Do., pfd. | 104 | .. |
| N. B. Tel., c. | 12½ | 13½ |
| N. Meth. Ldy., p. | 50 | .. |
| Office Spec., p. | 72 | .. |
| Ont. Tob., pfd. | 22½ | .. |
| Paterson Wm., p. | 104 | .. |
| Prov. Paper, pfd. | 102½ | 104 |
| Reliance Gr., pf. | 31½ | 33 |
| Rob. Cons. Cone | 9 | 9½ |
| Robertson, p. | 90 | .. |
| Ruddy, E. L., p. | 28½ | 30 |
| Seal O Sac (Can) | 4½ | 5 |
| Stand. Fuel, c. | 2 | 2½ |
| Stand. Fuel, c. | 2 | 2½ |
| Do., pref. | 48 | 52 |
| Stedman Br., pf. | 56½ | 58 |
| Tor. Carpet, c. | 18½ | 22 |
| Do., pfd. | 54½ | 56½ |
| Un. F. Co-op. | 2½ | 2¾ |
| Un. Steel, A pf. | 21 | 21½ |
| Viceroy Mfg., pfd. & rts. | 23½ | 24 |
| West. Grain, pf. | 4½ | 6 |
| West. Steel, c. | 6 | 7½ |
| Weston Hold. | 6½ | 7 |
| **Trusts & Loan Stocks:** | | |
| Brit. Mtge. | 152½ | .. |
| Com. Fin., c. | 2½ | 3 |
| Guar'ty Trust | 96 | .. |
| Guelph & O., $50 | 53½ | 56 |
| Lambton Loan | 32 | 35 |
| London & West. | 39 | 42 |
| Sherbrooke Tr. | 120 | .. |
| Sterling Trust | 52 | 60 |
| Traders Fin. B.C. | 12 | 13 |
| Do., A pfd. | 84½ | .. |
| Trusts & Guar. | 27½ | 28½ |
| Waterloo Trust | 99½ | .. |
| **Insurance Stocks:** | | |
| Canada Life | 483 | 490 |
| Confed., 30% pd. | 153½ | 156 |
| Crown, fully pd. | 275 | .. |
| Dominion Fire | 136 | .. |
| D. of Can. Gen. | 120 | 125 |
| Empire, 25% pd. | 8 | 9 |
| Excelsior Life | 62 | 65 |
| Fed. Fire 25% pd | 51 | 55 |
| Great-West Life | 245 | 255 |
| Halifax Fire | 23½ | 24 |
| Imperial Life | 310 | 335 |
| Manufac. Life | 244 | 250 |
| Monarch, 10% pd | 23 | 24 |
| Sov. L., 25% pd. | 11½ | 12½ |
| Sun Life | 390 | 410 |
| Tor. General | 5¾ | 6½ |
| Western Assce. | 50 | 52 |
| **Theatre Stocks:** | | |
| Allens, Kings., p. | 64 | 66½ |
| Do., London, p | 55 | 60 |
| Do., St. Cath., p | 54½ | 57 |
| Do., Tor., p. c. | 35 | 37½ |
| Loew's, Lond., p. | 3½ | 3¾ |
| Mansf. Theat., p. | 31½ | 34 |
| Midland Prop., p | 4 | .. |
| Para., Kitch., p. | 53½ | .. |
| Do., Oshawa, c | 11½ | 13 |
| **Investment Trust Shares:** | | |
| Can. Invest. Fd. | 3¾ | 4½ |
| Can. Investors | 6½ | 7 |
| Deb. & Sec., pf. | 70 | .. |
| Inv. Found. Unit | 55½ | 57 |
| Sec's. Hold., pf. | 18 | .. |
| United Corp., A | 21 | 23 |
| Do., B | 6½ | 8 |
| **Power Issues:** | | |
| Can. W. N. Gas | 27 | .. |
| Do., pfd. | 99 | 100½ |
| Int. Util., 1.75 p. | 16½ | 18 |
| Do., 3.50 pfd. | 37 | 39 |
| Gt. Lakes Pr., p. | 101 | 103 |
| Mtl. Is. Pwr., p. | 20½ | .. |
| Nor. Ont. Pr., p. | 96 | 98 |

## Unlisted Mines

Toronto, August 8, 1939

| | Bid | Ask |
|---|---|---|
| Adding'n | .04½ | .05½ |
| Albany R | .23 | .25 |
| Amorada | .02 | .03 |
| Anoki | .09 | .10 |
| Arjon | .02 | .03 |
| Armistice | .01¾ | .02½ |
| Argosy | .04½ | .05 |
| Arno | .01¾ | .02½ |
| Area | .05¾ | .06½ |
| Athona | .04½ | .05½ |
| Barber L | .03½ | .04 |
| Beresford | .34 | .37 |
| Big Mastr | .02¾ | .03½ |
| Bilmac | .04 | .05 |
| Calder B | .02¾ | .04½ |
| Camlaren | .02 | .03 |
| Capital R | .00¾ | .01½ |
| Carinor | .. | .10 |
| Cent Man | .03½ | .04 |
| Cheminis | .07 | .08 |
| Cochen'r | .56 | .58 |
| Coin Lk | .03½ | .04 |
| Cont Cop | .13 | .14 |
| Cont Kirk | .06 | .07 |
| Crescent | .06 | .06½ |
| Crowshre | .10 | .11 |
| Dawson | .01½ | .02 |
| Dayton | .05¾ | .06½ |
| Delnite | .90 | .95 |
| Desants n | .23 | .25 |
| Devon | .08 | .09 |
| Dona Pat | .33 | .36 |
| Donwood | .09 | .11 |
| Dumico | .05½ | .06½ |
| Dunlop n | .02 | .02¾ |
| E Lacoma | .03½ | .03¾ |
| Elmos | .19 | .22 |
| F'lk'nham | .01 | .01½ |
| Flavrian | .02 | .02½ |
| Fontana | .. | .07 |
| Frontier | .05½ | .07 |
| Galore | .07 | .08 |
| Gate Pat | .01¾ | .02½ |
| Golden G | .19 | .21 |
| Goldside | .01 | .01½ |
| Gordon L | .01½ | .02 |
| Gorham | .03¾ | .04½ |
| Hillnor | 7.00 | 7.40 |
| Hiawatha | .. | 1.15 |
| Hislop | .01 | .02½ |
| Hoyle n | .37 | .38 |
| Hugh PP | .09 | .10½ |
| Hutchison | .05¾ | .06 |
| Jason | .33 | .36 |
| Jodello | .07 | .09 |
| Keora | .03¾ | .04½ |
| Kaw Crw | .02 | .02½ |
| Kelrowe | .29 | .31 |
| Kenricia | .20 | .24 |
| Kewagam | .03 | .03½ |
| Kiena | .17 | .19 |
| Kirvit | .01 | .01½ |
| Kirk G | .03½ | .. |
| Kirk H | .01 | .01½ |
| Lacoma | .02¾ | .03 |
| L Duf | .32 | .35 |
| L Geneva | .08½ | .. |
| Lardego | .03½ | .04 |
| Lowery P | .29 | .34 |
| Lucky K | .02½ | .02¾ |
| Magnet C | .63 | .66 |
| Magnet L | .13 | .15 |
| Martin B | .07 | .08 |
| Martin M | .. | .04 |
| Margaret | .17½ | .19 |
| Matach C | .04½ | .05½ |
| Melba | .05 | .06 |
| Moff H n | .01½ | .03 |
| McGreg P | .01½ | .02½ |
| McVit Kir | .01½ | .01¾ |
| Mooshla | .07 | .08 |
| Mosher | .14 | .15½ |
| Mylam | .03 | .04½ |
| Nation M | .17 | .20 |
| Negus | .70 | .80 |
| New Aug. | .23 | .25 |
| New Bib | .04½ | .05 |
| Nickel O | .85 | .95 |
| Norbeau | .53 | .56 |
| Norlake | .01¾ | .02½ |
| Oklend | .08 | .09 |
| O'Leary M | .02½ | .03 |
| Opemiska | .07 | .09 |
| Oriole | .02 | .02½ |
| Ossian | .03 | .03½ |
| Orpit | .07 | .08 |
| Pascalis | .. | .31 |
| Payore | .02¾ | .03½ |
| Porc L | .. | .06½ |
| Planet | .02½ | .02¾ |
| Pontiac R | .10 | .12 |
| Pelangio | .02¾ | .03½ |
| Polaris | .34 | .37 |
| Privat'r | 1.13 | 1.17 |
| Propri'y | 1.85 | 1.90 |
| Presdor | .05½ | [illegible] |
| Que Man | .10 | .12 |
| Que Vik | .00¾ | .01 |
| Rand Mal | .18 | .20 |
| Red LG | .01½ | .02 |
| Rhyol R | .01 | .02 |
| Rose G | .06½ | .07½ |
| Rouyn R | .01½ | .02 |
| Sach R | 8.50 | [illegible] |
| Shenango | .08 | .09 |
| Sheldon | .05 | .06½ |
| Siscoe Ex | .02 | .03 |
| Smelter | .02¾ | .03 |
| Skynner | .10½ | [illegible] |
| Spooner | .05½ | .06½ |
| Steep R | 1.05 | 1.10 |
| Sunbeam | .12 | .15 |
| Sunbear | .00¾ | .01½ |
| Surf Inlet | .17 | .20 |
| Springer | .10 | .11 |
| Thomp L | .25 | .27 |
| Tonawa'a | .01½ | [illegible] |
| Union M | .07 | .07½ |
| Upper C | .60 | .62 |
| Walker P | .04 | .05 |
| Wesley | .02 | .02½ |
| Wells LL | .14 | .16 |
| Westwood | .03 | .04 |
| Winoga cr | .05½ | .06 |
| Woco | .21 | .23 |
| Young D | .27 | .28 |

Montreal, August 8, 1939

| | Bid | Ask |
|---|---|---|
| Abbeyv'e | .06 | .08 |
| Brown B | .01 | .02 |
| Chibmac | .02 | .02½ |
| Demp'y | .01 | .02 |
| L Lag'n | .03 | .05 |
| L Rowan | .08½ | .09½ |
| Leroy | .. | .01 |
| Louvre | .02 | .03 |
| Obalski | .08½ | .09½ |
| Pan Can | .03 | .04 |
| Routh'r C | .. | .03 |
| Tiblem't I | .02 | .03 |
| Valdor M | .. | [illegible] |
| Warren'c | .. | [illegible] |

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

August 8, 1939

| Public Utility Issues: | Int. Rate % | Due | Bid Aug. 8 | Asked | Bid Aug. 1 |
|---|---|---|---|---|---|
| †Assoc. Tel. & T. | 5½ | '55 | 79 | 82 | 79 |
| Beauharnois P. | 5 | '73 | 100 | 103 | 99 |
| B. C. Power | 4½ | '60 | 103½ | 106½ | 103 |
| B. C. Tel. | 4½ | '61 | 107½ | 110½ | 107½ |
| †Calgary Pwr. | 5 | '60 | 104½ | 107½ | 104½ |
| Do. | 5 | '64 | 104 | 107 | 104 |
| †Can. Nor. Pwr. | 5 | '53 | 102½ | 105½ | 102½ |
| •Dom. Gas & El. | 6½ | '45 | 97 | 100 | 97½ |
| Gatineau Pwr. | 5 | '49 | 103 | 106 | 102½ |
| Do., B | 3½ | '69 | 100 | 103 | 99½ |
| Gt. Lakes Pwr. | 4½ | '56 | 100½ | 103½ | 100½ |
| •Int. Hydro-E. | 6 | '44 | 84½ | 87½ | 84½ |
| ▲Inter. Power | 6 | '55 | 101 | ... | 101 |
| Macl'n-Que. Pr. | 4 | '59 | 97½ | 100½ | 97½ |
| Mtl. L. H. & P. | 3½ | '56 | 104 | 107 | 104 |
| Do | 3½ | '73 | 102 | 105 | 102½ |
| †Mtl. Tramways | 5 | '41 | 98½ | 101½ | 98½ |
| †Do. | 5 | '55 | 69½ | 72½ | 69½ |
| Nat. Lt. & Pwr. | 6 | '49 | 98 | 101 | 97½ |
| N. S. Lt. Pr. | 4 | '57 | 103 | ... | 103 |
| Ottawa H. & P. | 4 | '57 | 103½ | 106½ | 103½ |
| Ottawa V. Pwr. | 5 | '59 | 103½ | ... | 103½ |
| †Power Corp. | 4½ | '59 | 104 | 107 | 103½ |
| Quebec Pwr. | 4 | '62 | 103½ | 106½ | 103½ |
| •Saguenay P. A. | 4½ | '66 | 106 | 109 | 106 |
| Do., B | 4½ | '66 | 106 | ... | 106 |
| Shaw. W. & Pr. | 4 | '61 | 103½ | 106½ | 103½ |
| Union Gas | 4½ | '50 | 103 | 106½ | 103 |
| †United Secur. | 5½ | '52 | 64 | 67 | 64 |
| †Wpg. El Ser., A | 4 | '65 | 71½ | 74½ | 71½ |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi P. & P. | 5 | '53 | 45½ | 48½ | 46½ |
| Acadia Sugar | 4½ | '55 | 102½ | 105½ | 102½ |
| †Alta. Pa. Grain | 6 | '46 | 90 | 93 | 90 |
| Atlantic Sugar | 4 | '51 | 102 | 105 | ... |
| B. A. Oil | 4 | '45 | 101 | 104 | 101 |
| †B. C. P. & Pap. | 6 | '50 | 54½ | 57½ | 52 |
| •Brown Co. | 5½ | '46 | 31 | 34 | 32 |
| Burns & Co. | 5 | '58 | 39 | 42 | 39 |
| Canada Bread | 6 | '41 | 105½ | 108½ | 105½ |
| Canada Cement | 4½ | '51 | 104½ | 107½ | 104½ |
| Can. Paper | 4½ | '52 | 100½ | 103½ | 100½ |
| Can. Steamship | 5 | '57 | 83½ | 86½ | 83½ |
| Candn. Canners | 4 | '51 | 102½ | 105½ | 102½ |
| •Can. Int. Paper | 6 | '49 | 88½ | 101½ | 89½ |
| †Candn. Vickers | 6 | '47 | 57 | 60 | 53 |
| C. P. R. | 3½ | '51 | 83 | 86 | 83 |
| Do. | 4 | '49 | 87 | 90 | 87 |
| Do. | 5 | '44 | 89½ | 92½ | 90 |
| Do. | 6 | '42 | 101½ | 104½ | 101½ |
| Do. | 4 | perp | 72½ | 75½ | 73½ |
| †Consol. Paper | 5½ | '61 | 36 | 39 | 36 |
| Dom. Coal | 4½ | '52 | 103½ | 106½ | 102½ |
| ▲Dom. Stl. & C. | 6½ | '55 | 109 | 112 | 108 |
| Dom. Tar | 4½ | '51 | 104 | 107 | 103 |
| †Donnacona P. | 4½ | '56 | 66 | 69 | 66½ |
| Famous Players | 4½ | '51 | 102 | 105 | 102 |
| †Federal Grain | 6 | '49 | 93 | 96 | 93½ |
| †Fraser Cos. | 6 | '50 | 90 | 93 | 90 |
| Gen. Stl. Wares | 4½ | '52 | 98½ | 101½ | 98½ |
| •Great Lakes P. | 5 | '55 | 79½ | 82½ | 80 |
| †Gypsum, Lime | 5½ | '48 | 101 | 104 | 100 |
| Ham. By-Pr. C. | 5 | '55 | 101½ | 104½ | 101½ |
| Inter-City Bak. | 5½ | '48 | 103 | 106 | 103 |
| †Int. P.&P. Nfld. | 4½ | '68 | 102 | 105 | 102 |
| Lake St. John P. & P. | 5½ | '61 | 73½ | 76½ | 74 |
| Maple Leaf M. | 3 | '58 | 61 | 64 | 58 |
| Massey-Harris | 4½ | '54 | 95½ | 98½ | 95 |
| McColl-Front. | 4½ | '49 | 102½ | 105½ | 102½ |
| McCormick's | 4 | '52 | 91½ | 94½ | 91½ |
| •M. & O. Paper | 6 | '45 | 23½ | 26½ | 25 |
| Nat. Grocers | 4 | '47 | 101 | 104 | 101 |
| N. S. Stl. & C. | 3½ | '63 | 84 | 87 | 84 |
| Pres. E. Dome | 6 | '43 | 102 | 105 | 102 |
| Price Bros. | 5 | '57 | 90½ | 93½ | 91½ |
| •Prov. Paper | 5½ | '47 | 102½ | 105½ | 102½ |
| Reliance Grain | 4½ | '52 | 85 | 88 | 85 |
| Rolland Paper | 4½ | '51 | 102 | 105 | 102½ |
| Simpsons Ltd. | 4½ | '51 | 101 | 104 | 100½ |
| Smith, Howard | 4½ | '51 | 104 | 107 | ... |
| †Steel of Can. | 6 | '40 | 104 | 107 | 104 |
| Uchi Gold M. | 6 | '41 | 95 | 98 | ... |
| •United Gas | 5½ | '48 | 103½ | 106½ | 103½ |
| United Gr. Grs. | 5 | '48 | 96½ | 99½ | 95½ |
| †Western Grain | 6 | '49 | 33½ | 36½ | 34½ |

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
•Payable in U.S. only.

## Mining Dividends

| | Rate | Close Aug. 7 | Yield % |
|---|---|---|---|
| Beattie Gold | 15c | 1.22 | 12.3 |
| Bralorne | 80c+30c | 11.75 | *9.3 |
| Buffalo Ankerite | $1 | 10.25 | 9.7 |
| Buloio Gold | $3 | 23.25 | 12.9 |
| Can. Malartic | 9c | .74 | 12.2 |
| Cariboo Gold | 16c+4½c | 2.20 | *9.3 |
| Central Patricia | 16c+4c | 2.50 | *8 |
| Coniagas | 25c | 1.75 | .. |
| Coniaurum | 15c | 1.95 | .. |
| Cons. Smelters | $1+$1 | 45.00 | *4.4 |
| Dome Mines | $2 | 33.00 | 6 |
| Falconbridge | 30c | 5.90 | 5.1 |
| Goldale | †2c | .19 | .. |
| Gunnar Gold | 6c | .50 | 12 |
| Hedley Mascot | 12c+4c | .80 | *20 |
| Hollinger | 65c+45c | 15.12 | *7.3 |
| Howey Gold | 3c | .33½ | .. |
| Hudson Bay | $1.50 | 34.63 | 4.3 |
| Inter. Mining | 40c | 7.00 | 5.7 |
| Int. Nickel, com. | $2 | 49.12 | 4.1 |
| Island Mountain | 10c | 1.08 | 9.2 |
| Jack Waite | †1½ | .25 | .. |
| Kerr Lake | 5c | .50 | 10 |
| Kirkland Lake | 8c+2c | 1.47 | *6.8 |
| Kootenay Belle | 16c+4c | .77 | .. |
| Laguna | †5c | .11 | .. |
| Lamaque Gold | 30c+15c | 7.30 | *6.1 |
| Lake Shore | $4 | 42.00 | 9.5 |
| Lava Cap M. | 11c | .78 | .. |
| Leitch | 8c | .84 | 9.5 |
| Little Long Lac | 30c | 2.99 | 10 |
| Macassa | 20c+5c | 4.90 | *5.1 |
| McGillivray Coal | 3c | .21 | .. |
| McKenzie Red Lake | 12c | 1.28 | 9.4 |
| Moneta | 9c | 1.01 | .. |
| McIntyre Porc. | $2 | 58.87 | 3.4 |
| Noranda | $4 | 83.00 | 4.8 |
| Nipissing | 15c | 1.35 | .. |
| North Empire | 80c | 9.45 | 8.5 |
| O'Brien Gold | †10c | 2.12 | .. |
| Pamour Porc. | 8c | 2.20 | .. |
| Pato Cons. | 10c | 2.20 | .. |
| Paymaster | 2c | .47 | .. |
| Perron Gold | 16c+1c | 1.91 | *8.9 |
| Pioneer, B.C. | 40c | 2.41 | 16.6 |
| Pickle Crow | 40c | 4.65 | 8.6 |
| Placer Develop. | $1.20 | 13.00 | 9.2 |
| Premier | 12c | 1.80 | 6.7 |
| Privateer Mine | 20c+2c | 1.15 | .. |
| Quebec Gold | †2c | .38 | .. |
| San Antonio | 14c | 1.99 | 7.2 |
| Sheep Creek | 16c+2c | 1.24 | *14.3 |
| Silbak Prem. | 12c | 1.27 | [illegible] |
| Siscoe | 12c | 1.22 | [illegible] |
| Sudbury Basin | 5c | 2.25 | .. |
| Sullivan Cons. | 5c | .85 | [illegible] |
| Sylvanite Gold | 20c+5c | 3.35 | [illegible] |
| Teck-Hughes | 40c+5c | 4.20 | [illegible] |
| Toburn | 8c+6c | 1.83 | .. |
| Ventures | 15c | 4.80 | .. |
| Wright-Harg. | 40c+30c | 8.10 | [illegible] |

*Yield including bonus. †Initial.

## Municipal Bonds

Aug. 8, 1939

| | | | | |
|---|---|---|---|---|
| †Halifax | 5 | 1961 | 114.00 | 116.00 |
| Hamilton | 5 | 1950 | 112.10 | 113.60 |
| †Montreal | 5 | 1945 | 100.00 | 101.50 |
| Ottawa | 4½ | 1945 | 107.45 | 108.95 |
| †Quebec | 5 | 1959 | 107.50 | 109.00 |
| Saint John | 5 | 1950 | 107.00 | 108.50 |
| †Toronto | 4½ | 1955 | 113.15 | 115.15 |
| †Vancouver | 5 | 1950 | 99.50 | 102.50 |
| Winnipeg | 5 | 1944 | 101.00 | 104.00 |

†Payable Can. and N.Y.

## Investment Trusts

| | Bid |
|---|---|
| Affiliated Fund | 3.32 |
| Can. Amer. Trust | 3.20 |
| Can. Inv. Fund | 3.80 |
| All Can. Trustee | 12.00 |
| Trans-Canada | 11.70 |
| Grouped Income | ... |
| Can. Int. Tr., modified | 5.00 |
| Do., unmodified | 4.50 |

# Industrial Building Quickens

(Continued from page 9)

ventilating or other equipment have not been included.

Although it is difficult to segregate into one group only those companies primarily interested in the construction of the factory buildings themselves, such an effort has been made here. It should also be remembered that in a number of cases, a diversified output may have relegated industrial construction products or work to a less important position in the companies' operations.

**Algoma Steel Corp.** makes a wide line of steel products, it being a fully-integrated unit of the industry. Former dependence on the railroad industry for business has been lessened by diversification of output, of which the latest steps are the erection of a tin-plate mill and a plant to make grinding balls for he mining industry. Another development of current interest is the reopening of the New Helen Mine, aided by a provincial subsidy.

In the year ended April 30, 1939, gross sales were 20.1% below the previous year and earnings per share on the preference stock were $10.33 a share, as compared with $29.13 in the previous year. No dividends have been paid on this 5% stock which is non-cumulative until Jan. 1, 1940. Sale last year of $3 millions first mortgage bonds reduced bank loans and improved working capital generally.

**Anglin-Norcross Corp.** is engaged in the general contracting and building business. The company has handled many of the largest projects in Canada in recent years.

In the year ended Feb. 28, 1939, a net profit of $3,656 was earned as compared with $81,070 in the preceding year. No dividends have been paid on either preferred or common stock for some years. The 5% preferred is non-cumulative. Working capital is strong and appears adequate for the company's needs. Public investment interest in the company is somewhat limited.

**Brantford Roofing Co.** makes a wide range of asphalt roofings and other building and insulating materials. Public interest in the company is small, although it has $505,000 6½% first mortgage bonds, of which $366,500 were hypothecated as collateral at the end of last October and $138,500 held by the public. Sinking fund installments were in arrears and the company has been unable to keep up interest payments for some time past.

The company's operations, for the year ended Oct. 31, 1938, resulted in a net profit of $25,769, but it is understood that funds were used to make improvements and additions to plant machinery, calculated to cheapen production.

**Building Products Ltd.** makes over 50 different types of roofing and other building products. Last month it was stated that from present indications profits for the current year should be the highest in the history of the company. Increased construction has been responsible for higher sales and earnings in the first half of the year.

Assuming that the betterment in construction continues, it is expected that net profits will exceed those of 1929 and may possibly amount to $1 a share on the new common stock. Last December, the company split its old common stock on the basis of four new shares for each old share.

Earnings in 1938 were equivalent to 77 cents a share on the new common stock. So far this year dividends have been paid at the rate of 17½ cents a share quarterly on the new stock, equivalent to 70 cents a share annually. An extra of 10 cents a share was paid on Jan. 3. Financial position is exceedingly strong.

While Building Products is somewhat more interested in residential construction, its products also enter into other types of construction work.

**Burlington Steel Co.** has made a specialty of reinforcing steel for the construction industry. One of the smaller concerns in the industry, it also makes bars and shapes for general manufacturing, including steel fence posts, grinding balls, structural tubing and many agricultural and special shapes.

Business for the first five months of 1939 was down about 10% from a year ago, chiefly because of reduced demand from the farm implement industry. Improvement in this section of the business appears likely, in view of the better crop conditions prevailing. Last year Burlington Steel earned 65 cents a share as against $1.45 in 1937. Current dividend rate on the common is 60 cents a share. Working capital appears adequate.

**Canada Cement Co.**, which is reviewed in a special feature analysis in The Financial Post this week, handles approximately 80% of the total Canadian cement business as well as doing some export sales.

Earnings in the year ended Nov. 30, 1938, were adversely affected by a falling off in demand for cement. As a result net profits were equivalent to $5.60 a share on the 6½% preference stock against $7.27 a share in 1937. Quarterly dividends of $1.25 a share have been paid so far this year on the preferred stock, leaving arrears of $32 a share at the end of May.

**The Cooksville Co.** makes various lines of brick and building tile as well as roofing material. Its plants are in Ontario. The Cooksville Co. is associated with the LaPrairie Co. and has a subsidiary, Interprovincial Brick Co.

An operating profit of $37,861 was realized in 1938, sharply reduced from the $134,845 of 1937. Dividends have been paid on the first preferred stock since it was issued in the 1937 reorganization up to May 16, 1938. At this time the company stated that future payments on the stock would be considered in the light of conditions in the industry. Arrears on May 1, 1939, were $5 a share.

**Disher Steel Construction Co.** makes and erects all types of steel structures and a line of miscellaneous steel works, particularly adaptable for use in industrial construction projects. One of the smaller concerns in the business, Disher Steel has not been able to report very strong earning power in recent years, but last year paid a dividend of 50 cents a share on its class A preferred from the previous year's earnings of $1.57 a share. This was the first payment since 1932 and arrears were $8.87½ a share as at February 1 this year.

Operations for the first half of 1939 were about on a par with recent years. The company informs The Financial Post, however, that outlook for the last half of the year is much brighter. A number of enquiries have been received and substantial amount of actual work is under way in which the company hopes to share.

**Dominion Foundries & Steel Ltd.** is not primarily interested in industrial construction but still finds a market for an important volume of its steel plate with firms fabricating the steel girders and beams used in such work. At one time largely dependent on demand from the railway and structural steel industries, this company has made important strides in diversifying its output in recent years. The most important single step was the opening in 1936 of a tin-plate mill that now supplies approximately 30% of Canada's needs of this product.

Last earnings reached a new high level when $3.60 a share was earned on the present common stock after allowing for the two-for-one split ratified early this year. Dividends of $1 a share are being paid on the new stock. It is thought that operations so far this year have not been up to last year's record level, but still good enough to return a satisfactory profit. The company has plans for further expansion of its business, part of which are already under way.

**Dominion Bridge Co.** is interested in structural steel work of all kinds and in addition makes a wide range of heavy machinery and parts. The company is the largest unit in its field in Canada and its strong financial position has allowed continued payment of dividends at the current rate of $1.20 a share in the past few years, in spite of earnings which have not always been this high.

Volume of business available for such concerns as Dominion Bridge has been limited in recent years and as a result the company has had somewhat restricted earnings. Early months of the current year showed a disappointing volume of business, but orders booked in the spring and summer months of this year have brought volume up to last year's level as at July 1 this year.

Since it was organized in 1913, however, the year 1925 was the only year in which the company was not able to report a net profit and it has paid dividends at varying rates in each year. Sole capitalization consists of 513,951 common shares. One important contract which the company has obtained recently is that for the steel work on the first three stories of the new Bank of Montreal building in Toronto.

**Dominion Steel & Coal Corp.** is a fully-integrated unit in the steel industry of Canada. Its range of products includes the various shapes which are extensively used in construction work while the company also supplies material to the fabricating companies. It also produces reinforcing steel.

Operations of the company's steel plant at Sydney have been close to effective capacity so far this year and are likely to continue so for the balance of the year. English customers are taking a considerable part of the output with no appreciable change shown in domestic orders. The company has a subsidiary, Canadian Bridge Co., Windsor, which is paying its way and has completed a number of important construction contracts for fabricating and erection of structural steel.

Dominion Steel & Coal Corp. has an interest in the production of coal from mines of subsidiaries and also controls extensive iron ore deposits in Newfoundland. The company's securities are widely held and actively traded. On its class B common stock, Dosco earned $1.19 a share in 1938 and $1.56 in 1937. No dividends have ever been paid on this stock. The company had cleared off all arrears of interest on its 6¼% income bonds by 1937 and has maintained regular interest payments since.

**Dominion Tar & Chemical Co.** is interested in industrial construction through its manufacture of building materials, such as roofings and insulating material. Sales volume last year was somewhat under 1937 but construction and building lines showed an increase, which was offset by declines in exports and railroad business.

Net profits in 1938 were equivalent to $9.75 a share on the 5½% preferred as compared with $11.98 a share for 1937. Regular dividends have been paid on the preference stock since the rate was reduced from 6½ to 5½% two years ago and arrears eliminated through issue of common stock. The company refunded its former 6% debentures in 1936 by issuing 3½% serial debentures and 4½% 15-year debentures. Serial maturities amount to $200,000 annually to and including 1944.

**Eastern Steel Products, Ltd.**, reduced its senior charges this year by refunding its former 7% prior preferred with a new issue of 5% stock. This company is interested in making fire-proof building materials, including steel sash, steel doors and a wide range of other products, a large proportion of which go to farm buyers.

Sales for the year which ends Nov. 30, 1939, are likely to be up to last year's level, while earnings may be somewhat higher, The Financial Post is told by company officials. The last few months of the year are the periods of heaviest sales, but it is said that the outlook is better for some industrial lines, while for the farm market a lot depends on the crop.

In the year ended Nov. 30, 1938, the company earned 46 cents a share on its common stock, as compared with $1.40 in 1937, after providing for dividends on the old 7% preferred. Dividends of $1 a share were paid on the common stock on Feb. 1, 1939, and 1938. Payments have not been very regular on this stock, but have always been maintained on the preferred. The company's working capital appears adequate.

**The Foundation Co. of Canada** operates in three divisions: building, engineering and marine. The company is active in actual contracting and has built many of the large projects in various parts of Canada.

At the annual meeting last July the president told shareholders that competition continued keen and the volume of work offered was relatively small. Margin of profit to the general contractor is narrow in these days of low volume of business, according to the president.

In the year ended April 30, 1939, the company reported a net loss of $82,126 as compared with a net profit of $106,154 in the preceding year. No dividends have been paid since 50 cents a share on June 30, 1938.

Depreciation has been written off buildings and marine equipment at the maximum rate established under income tax regulations and off construction plant at a somewhat lower aggregate rate than in the previous year, due to the fact that a great deal of this equipment is already written down to nominal values. This should be reflected in a somewhat larger proportion of earnings being available for shareholders in the future.

The company's financial position seems adequate although liquid assets are somewhat restricted.

**Gypsum, Lime and Alabastine, Canada, Ltd.**, divides its business into three main divisions: building materials; manufacturing gypsum and lime products; the industrial chemical division. Improved operations were experienced during the first six months of the year which ends Nov. 30, 1939. Company officials feel that its products will be in increasing demand for the balance of this year and a moderate improvement is hoped for, from western Canadian business.

In the year ended Nov. 30, 1938, the company earned 17 cents a share on its common stock after providing for bond interest and other charges, as compared with 14 cents a share in 1937. No dividends have been paid since Oct. 1, 1931. The company is gradually improving its working capital and catching up on arrears of sinking fund on its 5½% bonds.

**Hamilton Bridge Co.** fabricates and erects steel bridges, steel frames for buildings, and a wide line of other steel products used in construction work. The company was reorganized early this year as a result of which arrears on the former preferred stock were eliminated and the company's capitalization made to consist only of common stock. Authority has been granted to issue up to $400,000 of first mortgage convertible serial bonds for working capital, but so far these bonds have not actually been sold.

The company reported a net loss of $82,089 in 1938, considerably higher than the $10,956 loss for 1937. One important contract obtained by the company this year is for the structural steel in the plant of Aluminum Co. of Canada, amounting to around $400,000.

**The LaPrairie Co. Inc.** manufactures brick of various kinds and also terra cotta hollow tile. Plants are in Quebec province.

The company is the result of a reorganization in 1935. No dividends have been paid on the new preferred stock that was issued at that time and arrears amounted to $19.50 a share at the first of this year. Earnings have barely been sufficient to cover bond interest for the past two years. The company has no bank loans but has a funded debt of $338,255.

**The Robert Mitchell Co.** makes a wide range of metal products which include much equipment for the construction industry.

Business for the first quarter of this year was behind 1938 but the president told the shareholders at the annual meeting that the outlook was not unpromising. The railway equipment end of the company's business has suffered from lack of business in particular. The company is establishing itself as one of the leading suppliers of airplane castings in Canada.

Last year the company earned 53 cents a share on its common stock as against $1.03 in 1937. No dividends have been paid since 1932. The company has improved its working capital position and should be in a position to resume dividend payments with a moderate increase in earnings.

**Sarnia Bridge Co.** owns and operates a structural steel plant making a wide line of products largely used in industrial construction. Earnings last year were equivalent to 77 cents a share on the class A preferred, considerably less than the $1.63 a share earned in 1937 when the company had the benefit of considerable business resulting from the construction of the Blue Water International Bridge at Sarnia. No dividends have been paid on the class A since 1931, leaving arrears of $16 a share at the first of this year. Although the company is lacking in liquid capital, it was able to pay off bank loans last year and its resources appeared adequate.

**Standard Steel Construction Co.** has not issued a report for 1938. Its operations were consolidated in the annual statement of the parent company, United Steel Corp.

Standard Steel Construction produces structural steel frames for buildings, bridges and other construction projects as well as having rights to manufacture some patented lines of steel products. The company paid off the remaining balance of the arrears on its preferred shares last October and the way is now open for payment on its common stock, over 95% of which is held by United Steel Corp. Operations in 1938 compared favorably with those of 1937 when Standard Steel earned $12.59 a share on its preferred stock.

One recent contract which Standard Steel has attained is that for the new building being erected by Canadian Associated Aircraft at Malton, Ont.

**The Steel Co. of Canada** is the largest unit in the primary steel industry in this country. Engaged in all branches of steel production, the company is interested in industrial construction in which its products find a substantial market.

Sales for the first half of 1939 exceeded those of the same period last year by a slight margin because of a sharp improvement in shipments during May and June. Lower prices, however, resulted in profits being somewhat lower than in the same period of last year. The outlook for the fall months is said to be favorable, according to the president.

Chief interest in the company's operations recently has been in its projects for the erection of a strip sheet mill at Hamilton at a cost estimated around $10 millions. It has now been announced that this project has been deferred and that the company engineers are now working on a revised scheme to embrace the production of tinplate and kindred lines which will involve a lesser expenditure but will permit of extensions at a later date to complete the original plans.

In 1938, earnings on the combined ordinary and preference shares amounted to $4.25 a share as against $5.81 a share in 1937. Dividends paid amounted to $1.75 a share on the preferred stock and $1.75 plus an equalizing dividend of $2 on the common. Following the equalizing dividend paid, $4 a share remains to be paid on the ordinary shares before the preference can participate in higher earnings.

Steel Co. of Canada has carried out extensive improvements to its various plants in the past couple of years, all of which have been financed from the company's ample cash resources.

**Western Steel Products Corp.** makes a varied line of steel products for use in industrial plants, farm buildings, road building, the oil industry, grain elevator and general construction work. The company owns and operates plants in Montreal, Toronto and six cities in western Canada. The company has attempted to develop sales in other lines than those used in the building industry, with the result that sales volume has been maintained better than the industry as a whole.

Due to lower sales and profit margins, operations for the six months ended June 30, 1939, resulted in a net loss of $10,075, after bond interest and depreciation. This compares with a net profit of $57,296 in the same period last year. It is stated that working capital has been maintained and there are indications that operations for the last six months will be profitable.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew-Surpass ... | 30c | Sept. 1 | Aug. 15 |
| Do., bonus ...... | 20c | Sept. 1 | Aug. 15 |
| Do., pref. ...... | $1.75 | Oct. 2 | Sept. 15 |
| Aluminum, p. ..... | $1.50 | Sept. 1 | Aug. 15 |
| Assoc. Tel. & T., p. | 49c | Aug. 15 | Aug. 1 |
| Do., $6 pref. ..... | 42c | Aug. 15 | Aug. 1 |
| Bank of Montreal .. | $2 | Sept. 1 | July 31 |
| Bank of Toronto .. | $2.50 | Sept. 1 | Aug. 15 |
| Banque Candn. Natle | $2 | Sept. 1 | Aug. 15 |
| Borden Co. ........ | 30c | Sept. 1 | Aug. 15 |
| Beattie Gold ........ | 5c | Aug. 15 | July 31 |
| Buff. Ankerite ..... | 25c | Aug. 15 | Aug. 1 |
| Brown Oil, pfd. .. | $1.50 | Aug. 11 | Aug. 5 |
| Can. W & C., A ... | $1 | Sept. 15 | Aug. 31 |
| Do. .............. | $1 | Dec. 15 | Nov. 30 |
| Can. W. & C. pf. | $1.62½ | Sept. 15 | Aug. 31 |
| Candn. Oil ...... | 12½c | Aug. 15 | Aug. 1 |
| Do., extra ..... | 12½c. | Aug. 15 | Aug. 1 |
| Crown Cork ...... | 40c | Aug. 15 | July 31 |
| Carnation, 1st pfd. | $1.25 | Oct. 2 | Sept. 21 |
| Can. & Dom. Sugar | 37½c | Sept 1 | Aug. 15 |
| Can. Int. Inv. Tr., p. | 50c | Sept. 1 | Aug. 15 |
| Canadian Oil, c. .. | 12½c | Aug. 15 | Aug. 1 |
| Commonwealth Int'l. | 4c | Aug. 15 | July 15 |
| Corp. Investors .... | 5c | Aug. 15 | July 29 |
| Cosmos Imp. c. ... | 25c | Aug. 15 | July 31 |
| Do., pref. ....... | $1.25 | Oct. 14 | Sept. 30 |
| Dom. Oilcloth .... | 30c | Oct. 31 | Oct. 16 |
| Dom. Bridge ...... | 30c | Aug. 15 | July 31 |
| Dom.-Scot. Inv. pf. | 50c. | Sept. 1 | Aug. 21 |
| Gurd, Chas., pf. .. | $1.75 | Aug. 15 | Aug. 1 |
| Gatineau Pwr., c. | 20c | Sept. 30 | Sept. 1 |
| Do., pref. ....... | $1.25 | Oct. 1 | Sept. 1 |
| Greening Wire ... | 15c | Oct. 2 | Sept. 15 |
| Hallnor Mines .... | 15c. | Sept. 1 | Aug. 15 |
| Int. Nickel ....... | 50c | Sept. 30 | Aug. 31 |
| Lake of Woods .. | $1.75 | Sept. 1 | Aug. 15 |
| Loblaw Groc. ..... | 25c. | Sept. 1 | Aug. 10 |
| Leitch Gold ....... | 2c | Aug. 15 | July 31 |
| Louisiana Land .. | 10c | Sept. 15 | Sept. 1 |
| Laura Secord ..... | 20c | Sept. 1 | Aug. 15 |
| Lava Cap G. M. .. | 3c | Sept. 30 | Sept. 19 |
| Little Long Lac .. | 10c | Aug. 26 | Aug. 15 |
| McIntyre Porc. ... | 50c | Sept. 1 | Aug. 1 |
| Moore Corp., c. .. | 40c | Oct. 2 | Sept. 7 |
| Do., pref. A & B | $1.75 | Oct. 2 | Sept. 7 |
| Nat. Biscuit, pfd. . | $1.75 | Aug. 31 | Aug. 15 |
| N. S. Lt. & Pr., pf. | $1.50 | Sept. 1 | Aug. 15 |
| Niagara Wire ...... | 25c. | Oct. 2 | Sept. 15 |
| Noranda Mines .. | $1.00 | Sept. 15 | Aug. 21 |
| Ont. Steel Prod. c . | 60c. | Aug. 15 | Aug. 4 |
| Do., pf. ......... | $1.75 | Aug. 15 | Aug. 4 |
| Paymaster Cons. .. | 1c | Aug. 15 | July 31 |
| Penmans ......... | 75c | Aug. 15 | Aug. 5 |
| Perron Mines .... | 4c | Sept. 21 | Sept. 1 |
| Do., extra ..... | 1c | Sept. 21 | Sept. 1 |
| Provincial Tran. .. | 20c. | Aug. 15 | Aug. 1 |
| Photo Engrav. .... | 50c | Sept. 1 | Aug. 15 |
| Quebec Power .... | 25c | Aug. 15 | July 28 |
| Royal Bank ....... | $2 | Sept. 1 | July 31 |
| Rolland Pap. ....... | 13c | Aug. 15 | Aug. 5 |
| Do., pref. ...... | $1.50 | Sept. 1 | Aug. 31 |
| Rem. Rand pf. .. | $1.12½ | Oct. 2 | Sept. 11 |
| Do., c .......... | 20c. | Oct. 2 | Sept. 11 |
| Smith, H. Pap. pf. | $1.50 | Oct. 16 | Sept. 30 |
| Stuart, D. A., pf. . | 20c. | Sept. 1 | Aug. 15 |
| South. C. Pwr. ..... | 20c | Aug. 15 | July 31 |
| Sylvanite Gold ... | 5c | Sept. 30 | Aug. 19 |
| Sec. Std. Rylts., pf. | 1c | Sept. 1 | Aug. 15 |
| Shawinigan W. ... | 23c | Aug. 15 | July 26 |
| Toburn Gold ...... | 2c | Aug. 22 | July 21 |
| Do., extra ....... | 2c | Aug. 22 | July 21 |
| Unit. Corp., A ..... | 38c | Aug. 15 | July 31 |
| Union Gas ......... | 20c | Sept. 15 | Aug. 19 |
| Walker-G. & W. .... | $1 | Sept. 15 | Aug. 25 |
| Do., pref. ........ | 25c | Sept. 15 | Aug. 25 |
| Weston, Geo., c. .. | 20c | Oct. 2 | Sept. 15 |
| W'minster Paper .. | 25c | Nov. 1 | Oct. 15 |
| York Knitting 1 pf. | $3.50 | Aug. 15 | Aug. 1 |
| Do., 2 pf. ....... | $3.50 | Aug. 15 | Aug. 1 |

## DIVIDEND NOTICES

### Banque Canadienne Nationale

**Quarterly Dividend**

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1939. This dividend, bearing the number, No. 194, will be payable at the Main Office or at the branches of the Bank, on or after the first day of September, 1939, to the shareholders of record on August 15th.

By Order of the Board,
CHARLES ST-PIERRE,
General Manager.

### Photo Engravers and Electrotypers Limited

**Dividend No. 29**

Notice is hereby given that a dividend of Fifty Cents per share has been declared on the no par value stock of this Company, payable September 1st, 1939, to Shareholders of record at the close of business on the 15th day of August, 1939.

The Transfer Books will not be closed.

By order of the Board,
JAMES RICHARDS,
Secretary-Treasurer.

Toronto,
August 3, 1939.

A. J. PATTISON JR. & CO., Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

## Foreign Exchange

**AT TORONTO AND MONTREAL**

| U. S. Dollar | High | Low |
|---|---|---|
| Aug. 7 ........ | —Holiday— | |
| Aug. 5 ........ | 1.00 | 1.00 |
| Aug. 4 ........ | 1.00 | 1.00 |
| Aug. 3 ........ | 1.00 | 1.00 |
| Aug. 2 ........ | 1.00 | 1.00 |
| Aug. 1 ........ | 1.00 | 1.00 |

| U. K. Pound | Closing | Last Year |
|---|---|---|
| Aug. 7 ........ | —.— | 4.91¼ |
| Aug. 5 ........ | 4.68⅛ | 4.91⅛ |
| Aug. 4 ........ | 4.68⅛ | 4.92 |
| Aug. 3 ........ | 4.68⅛ | 4.91½ |
| Aug. 2 ........ | 4.68¼ | 4.92 |
| Aug. 1 ........ | 4.68⅛ | 4.93 |

**Other Currencies, Aug. 5**

| | | | |
|---|---|---|---|
| Australia . | 3.74⅞ | Italy ...... | .0526¼ |
| Belgium .. | .1690½ | Japan .... | .2732 |
| Denmark . | .2090½ | Jugoslavia. | .0231 |
| France ... | .0265 | N. Zealand | 3.78 |
| Germany . | .4014 | Norway .. | .2353 |
| Greece ... | .0086 | S. Africa . | 4.69⅛ |
| Holland .. | .5321 | Sweden ... | .2413 |
| Hungary . | .1985 | Switzerland | .2256½ |
| India ..... | .3500 | Hong Kong | .2884 |

*Week in Wheat*

# Better Weather in West Weakens Wheat Market

## Earlier Advances Are Reduced When Rain Arrives — International Institute of Agriculture Predicts Large World Production This Year

From Our Own Correspondent

WINNIPEG. — Recent advances in wheat prices were shaded materially in later dealings, as news of rains in western Canada and cooler weather in the northern states was received. The improved weather conditions, indicating that further deterioration in the crop might be prevented, made buyers more independent. At the same time, Australian and Argentine sellers became more aggressive and Liverpool bids declined.

Added to the weather developments, prediction of the International Institute of Agriculture, at Rome, that the 1939 world production of wheat would be the largest since the war, except for last year, had further depressing effect.

A feature of the Institute's review was that it stated a bountiful harvest in the Soviet Union is indicated by heavy yields in the south and central areas and in Siberia.

### No Bumper Crop

Western Canada's hopes of a bumper crop this year have been dissipated during the past two weeks. Conditions differ widely from district to district, and even from field to field, not only in appearance of crops not yet cut, but in the actual grain content of plants that in appearance are the same. On that account, it is still difficult to make any reasonable guess as to total out-turn of the wheat crop. Practically all current estimates are that the total must fall below 400 million bushels. The more optimistic ones are that the total may come fairly close to that figure, and others are that it may not reach 350 million bushels. Crops already cut show yields as low as five bushels to the acre, and some well over 30 bushels to the acre. Some crops still standing green seem to be filling well, and others are disclosed as having little or nothing in the heads.

* * *

### Causes of Damage

To a limited extent, the latter condition has not been so much caused as revealed during the past two weeks. Apparently, in some cases, the wheat plant, which is comparatively hardy during most of the growing season, suffered irreparable injury at its most susceptible time, when in the blossom. In some places damage was due to excessive heat, and in others possibly to light frost, so that frequently blossoms failed to set kernels at all. In others, the plant seems to have suffered from the very luxuriance of early growth, so that a greater number of heads were formed and kernels set than could be filled from the moisture that later proved to be available. That is resulting in light weight and low grade kernels, carrying an undue percentage of bran for the total weight. In other places it seems to be the case that abundant June rains made moisture so plentiful near the surface that the root system mainly developed near the surface, and the plant failed to develop a deep primary root system that would have enabled it later to draw on subsoil moisture actually available.

* * *

### Many Disappointed

Thus it is that while probably 90% of the wheat acreage had what appeared to be an excellent start, giving rise to hopes of heavy yields, varying degrees of disappointment will probably be experienced with respect to at least half the total acreage. On perhaps a quarter of the total acreage yields will be decidedly poor. On the whole, the wheat crop has stood up better than crops of coarse grains, and yields of oats and barley are bound to be light. That fact is of less importance on account of large supplies of feed grains carried forward on farms, good pasturage during much of the season in a large part of the West, excellent yields of clover, and fair crops of hay. Feed will not be scarce in the West as a whole, and the need for transporting it from one district to another will be much less than in recent years.

In Manitoba, where the crop had an early start, actual damage from recent heat has been less than in the other provinces. Wheat had actually reached maturity before the most unfavorable weather was experienced. Cutting in Manitoba is probably 60 per cent completed, and the areas where wheat will run less than 10 bushels to the acre are comparatively limited.

* * *

### Saskatchewan Worst Hit

The greater part of the area where crops are definitely known to be poor lies in Saskatchewan, and most importantly in the southeastern part. All across the southern part of the province there is a large acreage where a great quantity of low grade wheat will be produced from stands that once gave hopes of thirty bushels to the acre or better. Some early crops harvested have given fairly good yields, while in the northern part of the province there are large areas from which good results are hoped.

Alberta's average yield for the whole province may yet stand above average. Failure of crops to fill has been noticed more in the South than elsewhere, although instances of light or empty heads are reported from widely scattered areas. Over much of the province it is still possible for the yield to be improved by favorable weather within the next ten days. There are areas which appear to need no more rain, and nothing but a succession of warm days and cool nights, while elsewhere more rain would be very important.

# Quebec to Move Gradually On Public Power Control

From Our Own Correspondent

MONTREAL. — Within the next two or three years, Quebec authorities do not plan to ask the Legislature to increase the present authorized advance of $10 millions to the National Electricity Syndicate, or to initiate large scale public ownership of electric power production and distribution. Statement to this effect of the Government's policy is contained in the prospectus covering the recent offering of $30 millions of new bonds.

In respect to the Syndicate, it is stated in the prospectus that during the first nine months of the fiscal year beginning July 1, 1938, $659,815 was paid out by the Provincial Treasury to the Syndicate. Most of this amount represented the cost of water power rights acquired from Noranda Power Co., a subsidiary of Noranda Mines Ltd. The Provincial Government proposes to establish an electric power station and transmission system in this mining territory as current mining output is substantial.

## Montreal Stock Trading Values Off During July

From Our Own Correspondent

MONTREAL. — Value of transactions on the Montreal Stock Exchange and the Montreal Curb Market during July totalled $11,885,689. This is the lowest figure since compilations were started. The current figure compares with $12,406,039 in June of this year, and with $31,610,479 in July, 1938.

# N. B. Power Body Plans Expansion

## Will Canvass Possibilities to Service Four New Areas

From Our Own Correspondent

MONTREAL. — New Brunswick Light and Power Commission will investigate the possibilities of supplying electric power to four new districts. The proposed line extensions would entail an additional 91 miles of wire, which would open up a field of nearly 1,000 potential customers.

The Commission decided to investigate the sources of power supply in the St. Quentin-Kedgwick district. It would require adding only 12 miles of wire to the distribution system to serve 350 families.

Also to be investigated are the questions of power supply and service extension along both sides of the Tobique River for 25 miles from Perth to Plaster Rock. The Kingston, Parish Point and Holderville districts of Kings County will be canvassed to determine whether or not it would be practicable to string 36 miles of wire to serve that area, which has 235 potential customers.

A similar canvass will be made in connection with the proposed extension from Buchtouche to St. Paul, Kings County.

### Bell Issues Shares

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada advises the Montreal Stock Exchange that the company has authorized the Montreal Trust Company to register 186 additional shares of its capital stock, making the total number of shares issued 805,443.

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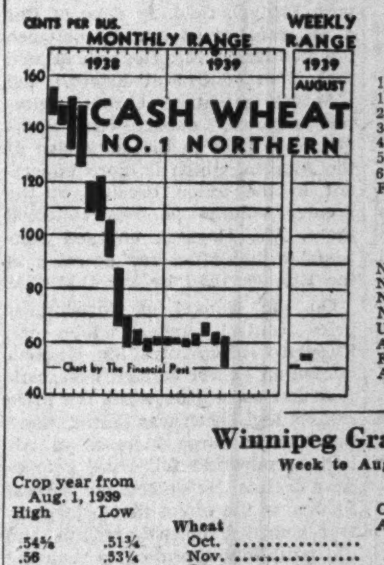
## Wheat Prices



(Cash Quotations)
For Week

| | Aug. 8 High | Aug. 8 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Hard ........ | .55⅜ | .53⅜ | .53¾ | .52¼ |
| 1 Northern ..... | .54⅛ | .53¼ | .53¾ | .52¼ |
| 2 Northern ..... | .51⅜ | .49⅝ | .50¼ | .48⅛ |
| 3 Northern ..... | .47⅛ | .45⅛ | .45¾ | .44 |
| 4 Northern ..... | .43⅜ | .41⅞ | .42⅝ | .41⅛ |
| 5 Wheat ........ | .39⅝ | .38 | .38⅛ | .34¾ |
| 6 Wheat ........ | .35⅜ | .34 | .34¾ | .32¾ |
| Feed Wheat ..... | .34⅞ | .33⅛ | .34¼ | .32¼ |

Combined Export Prices:
August shipments.

| | Week to Aug. 8 | |
|---|---|---|
| No. 1 North. (Vanc.) ..... | .68⅜ | .67¼ |
| No. 3 North. (Vanc.) ..... | .62⅞ | .60¼ |
| No. 1 North. (Atlan.) .... | .71 | .68⅜ |
| No. 2 North. (Atlan.) .... | .67⅜ | .65⅛ |
| U. S. Hard Winters ...... | .57 | .56¼ |
| Australian (afloat) ....... | .56¼ | .54⅞ |
| French, soft ........... | .51⅞ | .51¼ |
| Argentine Rosafe† ........ | .51¼ | .50⅛ |

†63½ lb. May.

### Winnipeg Grain Futures

Week to Aug. 8, 1939

| Crop year from Aug. 1, 1939 High | Low | | Open Aug. 2 | High for week | Low for week | Close Aug. 8 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| .54⅝ | .51¾ | Oct. | .52½ | .54⅝ | .52⅛ | .52½ | .71⅝ |
| .56 | .53¼ | Nov. | .54¼ | .56 | .53¼ | .54 | .72⅞ |
| .56 | .53⅜ | Dec. | .54⅜ | .56 | .53⅜ | .53⅞ | .70⅛ |
| .59⅛ | .56½ | May | .57¼ | .59⅛ | .56½ | .56⅜ | .73⅛ |
| | | **Oats** | | | | | |
| .28⅜ | .26¾ | Oct. | .27½ | .28⅜ | .27¼ | .27¼ | .30⅜ |
| .27⅞ | .26⅛ | Dec. | .27⅛ | .27⅞ | .26⅞ | .26⅞ | .29⅛ |
| .29⅝ | .28⅜ | May | .29 | .29⅝ | .28⅜ | .28⅜ | .... |
| | | **Barley** | | | | | |
| .36 | .34¼ | Oct. | .35¾ | .36 | .34¼ | .34⅜ | .40⅛ |
| .36 | .34 | Oct. (new) | .35 | .36 | .34 | .34 | .... |
| .36¾ | .34⅛ | Dec. | .35½ | .36¾ | .34⅛ | .34¼ | .41 |
| .38¾ | .35⅝ | May | .... | .38¾ | .35⅝ | .35⅞ | .43 |
| | | **Flax** | | | | | |
| 1.34½ | 1.29 | Oct. | 1.29⅝ | 1.34½ | 1.29 | 1.29 | 1.42¼ |
| 1.28½ | 1.25 | Dec. | .... | 1.28½ | 1.25 | 1.25½ | .... |
| | | **Rye** | | | | | |
| .39⅛ | .37⅛ | Oct. | .38⅝ | .39⅛ | .37¼ | .37⅛ | .40⅜ |
| .40⅛ | .38¼ | Dec. | .39⅝ | .40⅛ | .38¼ | .38¼ | .41⅜ |

## Public Authorities Rapped By Transit Body Officer

From Our Own Correspondent

VANCOUVER.—Criticism of government and municipal authorities for failure to co-operate effectively with transportation companies was expressed by W. G. Murrin, president of B.C. Power Corp. and newly elected honorary president of the Canadian Transit Association, during the annual meeting of the latter body in this city.

"Many civic representatives want to be and are fair but few of them dare to suggest co-operating with a company for fear they would be considered as taking sides with the company," said Mr. Murrin.

The Association's new president is E. B. Walker, Toronto, general supt., Canadian National electric lines.

### ESTATES MANAGER

R. Agur Treleaven, estates manager at the main office of Canada Trust Co., London, has been promoted to the Toronto branch to manage the estates department.

## Estimate Canada Dry Profit Almost Doubled

Canada Dry Ginger Ale, Inc., is likely to report profits for the nine months ended June 30, 1939, close to twice as great as for the first three quarters of last year, it is reported.

In the first nine months of the year ended Oct. 31, 1938, the company earned 54 cents a share on its common. June quarter earnings are said to be likely to approximate 55 cents a share compared with 29 cents a share in the 1938 period. Reason cited is the rise in carbonated beverage sales and a gain of about 20% in liquor sales.

The company is said to be considering establishment of new direct delivery units in Detroit, San Francisco and Seattle. Canada Dry now has 21 direct delivery plants, costing in the neighborhood of $100,000 each.

*The Week in Mining*

# Uncertainty Still Hangs Over Mine Stock Mart

## Some See Many Healthy Signs Pointing to Mounting Prices, But Many Sceptical While Crisis Mentality Persists

**Wide difference of opinion exists as to the direction—if any—now being taken by the mines market. Some financial men are calling this a period of consolidation and claim that the condition of their accounts is more than satisfactory, at least, for the short-term future. Others, however, feel that expectation of crisis in Europe is a cloud that will hang heavily over the market for another month or so, hence there is little merit in present optimism.**

**The market action of Francoeur, for instance, which has been holding its recent dramatic rise very nicely, shows that there are still investors or speculators alert to money-making opportunities, but it would seem that there may be a rather too cautious appraisal of the profit outlook for the base metals. For them, the outlook, peace or war, still embodies factors almost uniquely attractive.**

### *Molybdenum*

Formation of the Molybdenum Institute of Canada is a step which may have far-reaching results for the Canadian mining industry. Aimed at encouraging production of the ore in this country and informing prospectors and others about its deposition, treatment and marketing, the Institute has a big and probably important job to do.

World demand for this ore has been increasing by leaps and bounds in recent years; the gain in 1937 (latest figure available) being 62% more than in the previous year which itself was more than double the 1935 figure.

Tremendous developments have taken place in recent years in the world of alloys and so far nothing seems to threaten the importance of molybdenum. The demand has been further increased since war in the Orient has upset usual channels of tungsten supply and molybdenum can frequently be used as a preferable substitute.

* * *

### *Important to Canada*

During the Great War, Canada was a producer of molybdenum in a smallish way and most of our production since that time has been from properties active at that time. In recent years our output has been confined to small tonnage of concentrates from the Phoenix Molybdenite Corp. of Ontario.

Considerable prospecting has been done and important indications of ore have been reported in various parts of the country, stretching from Atlantic to Pacific.

United States is currently the main producer (over 90%) of the ore and has a big tariff against its import. But molybdenum is immensely important to the steel industry, especially for munition and tool industries, and Canada should have a preferred position abroad if her production could supply the demand.

* * *

### *Debacle in London*

Gold mining got a bit of a black eye in London recently. Australian operations are directly involved, but the affair is not likely to increase the growing British interest in Canadian gold investment opportunities, either.

The Stock Exchange Committee at London has banned all dealings in the shares of eight Australian gold mines with total capitalization of around £4 millions. The some 80,000 shareholders affected have seen the share values drop from around £8.6 millions in 1935 to £381,000 in recent months.

None of the eight companies has ever paid a dividend though share prices have soared in good markets. The action was precipitated following a four-hour boo-ing contest at the annual meeting of one of the companies.

The eight involved are all members of a group headed by Claude Albo de Bernales, son of a financial man long prominent in London. Companies are Commonwealth Mining, Anglo-Australian, Beryl Gold, Great Boulder, Meekatharra Gold, Murchison Gold, North Kalgurli and Southern Cross.

Bernales has had a spectacular career as mine machinery salesman, later mine promoter in Australia, and even more spectacular are the residence and offices with their fabulous furnishings which he has provided for himself since moving to London six years ago.

Bernales protests innocence of any wrong-doing and is protesting the ban. He has formed a special committee to safeguard the interests of his shareholders.

* * *

### *Base Metals Higher*

Copper, lead and zinc all moved higher during the past week. In the copper market, important demand outside the United States helped to push the price from 10.4 to 10.7 cents a pound for export copper. All the United States producers are now quoting a price of 10.5 cents in the domestic market. Foreign demand came from Continental as well as London sources last week while Japan entered the market to buy from 2,000 to 3,000 tons in a single day. The statistical position of copper is stated to be very favorable with the 182,576 tons changing hands in the United States domestic market in July, 2,524 tons more than the previous peak month of Oct., 1936.

Unabated demand for lead has been responsible for two increases of 10 points each, bringing the price to 5.10 cents at New York or 4.90 cents at East St. Louis. This was on top of an increase reported the week before. Zinc has become more active and the price has been moved up from 4.60 to 4.75 cents at East St. Louis.

* * *

### *Union Tactics Rapped*

Attack on the tactics which it is said were used by the United Mine Workers of America and the charge that government price control had ill effects on the industry, were made in the minority report of the Board of Conciliation which has been investigating labor union troubles in the Estevan lignite coal field. The minority report was prepared by D. B. Hogarth, K.C., a member of the Saskatchewan Legislature.

Appointment of the conciliation board followed labor troubles in the field last winter when the Canadian Federation of Labor and the United Mine Workers competed for control of the field.

Mr. Hogarth submitted that it was not in the best interests of the workers nor employers for the Estevan field to be under control of the United Mine Workers of America. The U.M.W.A. controls the Alberta coal fields, he said but that field is larger and in direct competition with Estevan field. In view of this direct conflict of interest between the two fields, Mr. Hogarth argued that if in control at Estevan, the U.M.W.A. might by chronic agitation seriously damage the Saskatchewan field to the advantage of the Alberta, which is more important to the union because of the greater volume of fees collected there. Mr. Hogarth charged continual intimidation and coercion in the Estevan field by the U.M.W.A.

On the subject of government price control, under which the Estevan field operates. Mr. Hogarth quoted an expert witness who testified that since 1934 when the price control legislation was passed, there has been a large increase in Alberta production following a four-year decline. He quoted the witness further to the effect that price control retarded normal growth and did not allow operators to reap the benefit from reduced operating costs due to increased production. Price control also encouraged the opening of new mines, further dispersing production and increasing operating costs, it was argued.

*Legal Directory*

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# Francoeur Gold Extends New Ore

## Hole 50 Feet to East of No. 1 Runs $12.60 Over 10 Feet

Rapid progress is being made in outlining the new north ore body at Francoeur Gold Mines by diamond drilling and the fifth hole is now being put down in the present programme. As reported last week, the first drill hole cut a true width of 28 ft. which averaged $12.01 a ton while a second hole, 50 ft. to the west of No. 1, cut a true width of 24.2 ft. averaging $11.97 a ton.

After the second hole was completed, a third hole was started 50 ft. to the west of the second but this hole was abandoned when difficulty was experienced in penetrating the overburden. Then a hole was put down 50 ft. east of the No. 1 hole returning $12.60 across a true width of 10 ft. Drilling is proceeding on the fifth hole located 150 ft. west of the first hole or 100 ft. west of No. 2 and results should be available shortly.

# Reserves Up At Paymaster

## Production and Profits Slightly Higher — Treat Tailings

Feature of the annual report of Paymaster Consolidated Mines for the year ended June 30, 1939, is a gain of 24.2% in ore reserves at 707,767 tons averaging 0.228 oz. gold per ton compared with 569,891 tons of 0.227 oz. grade the previous year.

Profits for 1939 showed a slight gain at $98,836 against $94,576 the previous fiscal period, and earnings were 1.1 cents a share each year. Total recovery of $1,430,879 was obtained from 199,280 tons of ore milled and was 6% over the previous year total.

President E. H. Walker states that if conditions continue to improve in opening up lower levels, further consideration will be given to dividends, perhaps before the end of the present year. A retreatment plant is now being installed to handle all mill tailings following successful experiments with a 50-ton test unit.

Major part of development was completed on levels below 1,575 ft. This included: A crosscut west on the 2,575-ft. level; a drive east to connect with No. 3 winze at the 2,075-ft. level; and drifts and crosscuts from new levels opened from No. 3 winze.

**Income and Surplus Account**
Years Ended June 30

| | 1939<br>$ | 1938<br>$ |
|---|---|---|
| Bullion production .. | 1,430,879 | 1,352,640 |
| Add: Other inc. .... | 24,920 | 23,376 |
| Total income ........ | 1,455,799 | 1,376,016 |
| Less: Develop. & min. | 826,569 | 798,759 |
| Milling ............ | 186,278 | 168,073 |
| General charges ... | 98,675 | 79,707 |
| Operating profit ..... | 344,287 | 329,477 |
| Less: Depreciation .. | 240,396 | 231,390 |
| Prov. for taxes .... | 5,055 | 3,511 |
| Net profit ........... | 98,836 | 94,576 |
| Less: Dividends ...... | 172,580 | ...... |
| Surplus for year ...... | *73,744 | 94,576 |
| Less: Prev. deficit .. | 217,172 | 74,736 |
| Excess ore mined .. | ...... | 51,097 |
| Paid pres. & v-pres. | ‡45,000 | †25,000 |
| Legal & incorp. exp. | ...... | 19,664 |
| Shs. in other cos. w/o ........ | ...... | 1 |
| Com. on sh. sale ... | ...... | 141,250 |
| Add: Compens. adjust. | 12,952 | ...... |
| Profit on shares .... | 2,854 | ...... |
| Deficit forward ..... | 320,110 | 217,172 |

*Deficit. †For July, 1933 to Sept. 1935. ‡For Oct., 1935 to June 30, 1938.

**Earnings Per Share and Dividend Record:**

| | | |
|---|---|---|
| Earned ............ | $0.011 | $0.011 |
| Paid .............. | 0.02 | nil |

**Working Capital**
As at June 30

| | 1939<br>$ | 1938<br>$ |
|---|---|---|
| Current assets ....... | 655,181 | 586,360 |
| Current liabilities .... | 89,331 | 74,659 |
| Working capital ...... | 565,850 | 511,701 |

# Proserpine Adit Nears Objective

## Will Cut Rainbow Zone of Cariboo Gold Quartz at Depth

From Our Own Correspondent

VANCOUVER. —Development at Proserpine Gold Mines in the Barkerville district of Cariboo has been proceeding rapidly and with great promise, according to a report made to G. Lyall Fraser by Dr. Victor Dolmage, geologist who recently made a survey.

Since the appointment of Major C. B. North as mine manager extensive underground work has been done. The plan of attack is to drive a deep-level tunnel northwesterly from Grouse Creek, roughly through the Rainbow member of the Barkerville gold belt.

A tunnel site was chosen on the Hard Cash claim on Grouse Creek which had the advantage of being in solid rock without the necessity of timbering through heavy overburden. The tunnel was started June 1, and was in over 642 ft. on July 30. It is making an average of 11½ ft. per day, using two shifts.

One significant factor, says Dr. Dolmage, is that the Proserpine tunnel has encountered a white member analogous to a white member in the Cariboo Gold Quartz on both sides of which their principal veins occur. This member had not been previously observed anywhere on the Proserpine

Dr. Dolmage reports that in about three weeks tunneling at the present rate will put the crew into a formation similar to the one found on the Cariboo Gold Quartz in which the principal veins occur.

# Turner Dividends At Record Level

## Oil Returns for First Half of 1939 Best Yet

Complaints have been voiced in the past that oil investors have not benefitted materially from Turner Valley operations. Dividend figures for the first six months of 1939 reveal, however, that investors in Alberta oil stocks received a greater return than in any corresponding period in the 25-year history of Turner Valley.

In the half-year period of 1939, oil dividends were announced totalling $1,072,035 compared with $765,461 during the same period of 1938. In addition, royalty payments, including royalties due the Provincial Government, C. and E. Corp., Okalta Oils, Ltd., and other lease holders in Turner Valley, of about $750,000 were made in the first six months of 1939.

Following is the dividend record of Turner Valley oil companies between Jan. 1 and June 30, 1939:

Brown Oil Corp., $12,000; Commoil, $23,353; Coronation, $32,000; Davies Pete., $32,000; Firestone, $18,750; Foundation, $6,250; Four Star, $20,000; Frontier, $60,000; McDougall-Segur Ex., $28,685; Monarch, $9,375; Prairie, $30,000; Royal Canadian, $20,904; Royal Crest, $14,250; Sunset, $84,000; Share, $4,500; Sundance, $45,400; Vulcan-Brown, $16,000; Royalite, $535,790; Granville, $7,098; Model, $38,000; and Commonwealth, $33,000.

# Noranda Profit Shows Increase

## Net Equals $2.38 a Share for Half of Year

Estimated net profit of $5,330,654 or $2.38 a share is reported by Noranda Mines in its semi-annual report for the six months ended June 30, 1939. In the corresponding period of last year, profit was $4,748,189 or $2.12 a share. As earnings for the first quarter of 1938 were $1.27 a share, profit for the second quarter was equal to $1.11 a share.

Work of increasing the capacity of the refinery at Montreal East, of Canadian Copper Refineries Ltd., to 100,000 tons of copper per annum is progressing satisfactorily and the addition should be in operation by the end of 1939, the report reveals. Cost estimated at $600,000 will be paid entirely by Noranda.

**Double La India Mill**

Mill capacity of Compania Minera La India, Nicaragua, has been doubled and the mill is now currently producing at 200 tons daily. Earnings from this subsidiary have been quite satisfactory and enabled it to redeem on June, July and Aug. 1, 1939, 10% of its funded debt which is expected to be completely retired in 1940.

One diamond drill is presently working on the adjoining claims acquired in 1938 by Norbeau Mines Quebec Ltd. for the purpose of ascertaining if the vein on the Sharpe claim extends into the new ground.

**Earnings Statement**
Six Months Ended June 30

| | 1939<br>$ | 1938<br>$ |
|---|---|---|
| Total recovery ....... | 10,795,108 | 10,425,543 |
| Less: Min., adm. & gen. exps. ....... | 3,462,187 | 4,782,558 |
| Custom ore ........ | 1,753,424 | ...... |
| Res. for taxes ...... | 905,000 | 910,000 |
| Net oper. earnings ... | 4,674,497 | 4,732,985 |
| Add: Misc. income .. | 926,157 | 279,204 |
| Total income ........ | 5,600,654 | 5,012,189 |
| Less: Depreciation ... | 270,000 | 264,000 |
| Est. net profit ....... | 5,330,654 | 4,748,189 |
| Earnings per Share .. | $2.38 | $2.12 |
| Copper anodes prod., lb. ............. | 47,358,931 | 46,899,817 |

# Falconbridge Net Rises in Quarter

## Profit Equal to 14 Cents in Second Quarter

A net profit of $474,143 equal to 14.2 cents a share is reported by Falconbridge Nickel Mines for the second quarter of 1939 compared with $434,229 or 13 cents the previous three months and 7.9 cents a share the corresponding quarter last year.

High production and sales were maintained last quarter, reinforcing the liquid position of the company, it is stated. Directors feel that everything should be done to maintain the liquid position at the present time.

Operations are stated to be in high gear and near the capacities of mine, smelter and refinery.

**Quarterly Report**
Three Months Ended June 30

| **Production:** | 1939 | 1938 |
|---|---|---|
| Tons treated ........ | 142,175 | 118,398 |
| Nickel in matte prod. lb. ................ | 4,416,959 | 3,904,636 |
| Copper in matte prod., lb. ................ | 2,304,434 | 2,015,762 |
| Refi'd. nickel prod., lb. | 4,752,643 | 4,286,545 |
| Refi'd copper prod., lb. | 2,063,651 | 2,225,419 |
| **Earnings:** | | |
| Gross oper. profit .... | $817,357 | $603,736 |
| Less: Prov. for taxes | 61,500 | 47,000 |
| Net oper. profit ...... | 755,857 | 556,736 |
| Less: Deprec. & def. devel. ............ | 281,714 | 292,870 |
| Net profit ........... | 474,143 | 263,866 |

Note:—Above figures are subject to audit and are exclusive of non-operating revenue.

**Financial Position as at June 30:**

| | | |
|---|---|---|
| Cash and accts. rec. . | $2,791,510 | $1,373,194 |
| Marketable secs., at lower of cost or mkt. | 225,649 | 382,551 |
| Metal inventories .... | 1,541,907 | 1,268,363 |
| Current liabilities .... | 416,793 | 412,661 |

# Waite Amulet Mill Nearly Completed

## Production With New Unit Expected in September

Construction of the new 1,000-ton mill at the property of Waite Amulet Mines is proceeding on schedule and the mill is expected to go into production in September, President J. Y. Murdoch states in the company's semi-annual report. The new central shaft is having a station cut at the 1,000-ft. level and the small A shaft is now down 850 ft. These shafts will be continued to 1,330 and 1,100 ft., respectively.

Estimated net profit of $101,121 for the first half of 1939 was equal to 3 cents a share. The president points out the company is adequately financed for completion of shafts, new mill, surface plant and underground development, with current assets of $2,385,000 as at June 30, 1939, against current liabilities of only $150,000. Stock pile of 20,000 tons of zinc concentrates was sold recently.

Deep drill holes put down to test the area around the lower A ore body, chiefly to the north and northwest did not encounter mineralization. One drill is still working there. Other drills are working near F shaft, south of the Waite open pit and underground at Waite.

**Earnings Statement**
Six Months Ended June 30, 1939

| | $ |
|---|---|
| Metal recoveries ................ | 1,100,794 |
| Less: Devel., treat. & gen. exps. | 862,186 |
| Res. for taxes ................ | 19,500 |
| Oper. revenue ................ | 219,108 |
| Add: Other income ............ | 10,682 |
| Net earnings ................ | 229,790 |
| Less: Depreciation ............ | 49,800 |
| Deferred devel. w/o .......... | 78,869 |
| Est. net profit ................ | 101,121 |
| Earnings per Share ............ | $0.03 |
| Tons Milled .................. | 78,869 |

# Surf Inlet Consolidated Production Up Last Year

From Our Own Correspondent

VANCOUVER. — Production of Surf Inlet Consolidated Gold Mines last year was considerably in excess of that for the previous 12 months, according to a report issued in New York by Robert L. Reed, president.

Altogether, 27,311 tons of ore were mined at the company's properties in British Columbia, of which 22,531 tons were milled, producing 2,544,952 tons of concentrates, which contained 9,587 ounces of gold. This compares with 16,302 tons mined the previous year.

*The Week in Oils*

# Would Aberhart Dare Grab of Oil Industry?

## Royal Commission Adjourns Until Fall — Doubt if Threat of Government Operation of Oil Industry Rates Seriously

From Our Own Correspondent

**CALGARY.—After sitting with some interruptions since the first of the year, hearing millions of words of evidence, and viewing nearly 600 exhibits, the Royal Commission probing the Alberta oil industry has adjourned public hearings until September 18.**

**The only concrete result of all this effort to date has been the passing of legislation making Royalite pipe-line system between Turner Valley and Calgary a public utility. Transportation rates, as recommended by the Commission, have been reduced from 15 cents a barrel to 9½ cents a barrel, while handling charges have been reduced from 5 cents a barrel to 2½ cents.**

**While public hearings are suspended, Dr. Frey of the United States geological survey, loaned to the Commission as technical adviser by the American Government, and F. G. Cottle, Commission accountant, will study the evidence so far submitted and will present reports upon the reopening of the enquiry in the fall.**

### *Intense Scrutiny*

The Commission has concluded its enquiry into transportation of crude oil from the Valley field to Calgary, probable crude oil reserves in Turner Valley and probable lifetime of the field, cost of producing crude oil, and cost of refining crude into petroleum products. Evidence relating to marketing petroleum products is practically concluded.

The probe into the Alberta oil situation has been the most thorough enquiry into any industry in the history of the Province of Alberta, and probably no industry in Canada has been subjected to more intense scrutiny than that given by Mr. Justice A. A. McGillivray, chairman.

* * *

### *Would They?*

One big question still left for the Commission is the advisability of the Provincial Government taking over the oil industry of Alberta and operating it in the interests of the gasoline consumers of the province. This suggestion of government ownership of the second largest industry in Alberta will provoke strong opposition from all sections of the industry.

Though Social Credit spokesmen have frequently indicated this was their aim for the industry, many observers doubt whether this form of government seizure would be carried so far, and whether oil interests would continue on their present expansion and exploration programmes if they believed this a serious threat.

* * *

### *Not Permanent*

The failure to conclude the Home Oil-Standard of California deal was widely held to indicate fear of harassing government interference with the oil industry.

But this does not mean the deal will be dropped permanently, according to John Galloway, member of the geological staff of Standard Oil of California and now production supervisor in Alberta for Standard Oil of British Columbia.

Mr. Galloway states that if and when negotiations are resumed, they will be resumed with Standard Oil of British Columbia which intends to take an active part in the Alberta oil industry in the future.

Mr. Galloway points out that the California company, subsidiary of Standard Oil of California, has acquired 45,000 acres of prospective oil lands in the Steveville area, east of Calgary, from the Albert Provincial Government.

* * *

### *Want Dominion Supply*

These leases, according to Mr. Galloway, have been turned over to Standard Oil of British Columbia and that company intends to drill sufficient wells to prove or disprove definitely the existence of commercial production on the structure. A location is being selected for the first Standard of B.C. well and drilling is to be commenced in September.

"The entry of Standard Oil of British Columbia into Alberta has been motivated by a desire to provide a crude oil supply for this company within the Dominion," Mr. Galloway said.

If Standard of B.C. succeeds in striking oil in good quantity at Steveville, oil men believe, the company will build a refinery, probably at Calgary, erect service stations and participate in production, refining and marketing of oil in a big way in the West.

The leases acquired by Standard of B.C. adjoin those held by Anglo-Canadian Oil Co. Ltd. Anglo has drilled two wells at Steveville. While considerable gas was uncovered at both wells, in addition to oil showings, there was water intrusion and commercial production was not obtained. The fact that Standard of B.C. still considers this field promising confirms the assertion that Anglo Canadian's results here have been by no means conclusive.

* * *

### *Win This Round*

Oil companies contesting the British Columbia Government's new gasoline price reduction order won another round—or at least a breathing spell—when a restraining order against the fuel board was granted, to be effective until September 12 when the court of appeal will reconsider the application.

Earlier the fuel board, headed by Dr. W. A. Carrothers, former economic adviser of the Government, brought down an order fixing a new schedule of lower prices. Oil companies have already made application to carry the controversy to the Supreme Court of Canada.

* * *

### *"Fictitious"*

J. W. de B. Farris, K.C., pleading for the oil interests, branded the fuel board's order as the act of a "rapacious government." The oil companies contend that they have long been doing business at a loss in British Columbia. Mr. Farris said oil companies might be compelled by the order to close up shop and refuse to do business.

The Government contends that the base price of crude oil is fictitious, and that the parent oil companies, controlled in the United States, are making money on British Columbia sales even though their subsidiaries report a loss.

Spokesmen for the oil companies state that if the new order became effective, the wholesale base price of gasoline in British Columbia would be less than in Los Angeles in the centre of a great oil-producing area and by a wide margin the lowest figure on the coast.

# Shaft Sinking Started By Gunnar Gold Mines

Sinking of the shaft at Gunnar Gold Mines from its present depth of 1,250 to 1,750 ft. has now been started, The Financial Post is informed. It is anticipated exploration of four new levels will be proceeding by the end of October. Evidence of the satisfactory results being obtained in exploration is given by the fact 23% of ore has come from new development in the last three months.

Production for July amounted to $54,131 from 4,395 tons of ore treated. Mill heads averaged $12.67 a ton and tailings were at a new low of only 25 cents a ton. As production to the end of July amounted to $1,954,022, it is expected output will be over the $2 millions mark by the end of the present month.

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# Arrange Diamond Drilling For Osway Gold Property

From Our Own Correspondent

SUDBURY.—Officials of Osway Gold Mines announce arrangements have been made with a Toronto group to finance diamond drilling, and that a drill has been taken into the property in the Opeepeesway field. Work will start on the south-east end of the vein which surface work last fall showed dipping into heavy overburden.

If favorable results are obtained deeper drilling is planned. Stripping and test-pitting last year gave considerable encouragement, with grab samples from test pits giving values in gold ranging from $1.40 to $11.55. Officials report the vein has been uncovered for 100 ft. and traced for a considerable distance. A survey line run by Newroy Mines from the Jerome strike passes a few feet from the Osway showing.

**Presdor Porcupine Mines** plans to let a new contract for diamond drilling with work to get under way shortly.

# Musketeer Mines Formed On Bedwell River Holding

From Our Own Correspondent

VANCOUVER.—A new company, to be known as Musketeer Mines, Ltd., has been organized by Pioneer Gold Mines and Anglo-Huronian, to operate a mining property in the new gold area on Bedwell River, near Tofino, west coast of Vancouver Island.

Alfred E. Bull, vice-president and secretary-treasurer of Pioneer Gold Mines, Vancouver, is president of the new company. Vice-president is Matthew F. Fairlie, consulting mining engineer for Anglo-Huronian, Toronto.

Dr. Howard T. James, managing director of Pioneer, will be managing director of Musketeer, and directors will be Cyril H. E. Stewart of Toronto, J. E. R. Wood of Vancouver, Patrick McCrory, locator of the claims, and his brother, Charles McCrory of Tofino.

Secretary-treasurer will be Ross Thompson, assistant secretary-treasurer of Pioneer.

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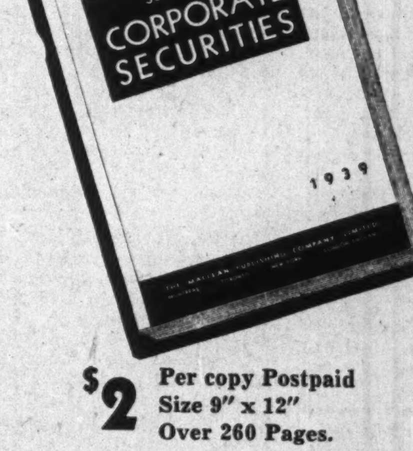

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# What's Ahead For Canada's Iron Ore?

## Unlike Gold, Like Wheat and Hogs Selling It is a Vital Consideration

By RONALD A. McEACHERN
Mining Editor, The Financial Post

For the first time since 1923 Canada is now producing iron ore. The New Helen mine owned by the Algoma Steel Co. has finally got into operation. Development at Steep Rock is going ahead rapidly.

Is Canada on the threshold of developing a major new raw materials als industry?

Early indications from Joseph Errington's Steep Rock Iron Mines, where a vast body of unusually high-grade iron has been partly outlined by diamond drilling, have raised great hopes in Canadian mining circles that an important industry is about to be established.

Practically every country in the world has some iron. But very few are doing anything about it. United States alone produces almost half the world's annual needs of pig iron. And, although every state in the Union has iron deposits, more than 86% of the total American production comes from the three bordering Lake Superior.

### Marketing the Problem

Which points to the fundamental problem about iron mining, marketing.

There is an insatiable market for gold at a fixed price. The mineral is so valuable that it could be flown around the world and still sold at a profit.

But iron is like wheat or oil. It is bulky. The price fluctuates with supply and demand. It is useless until a great steel industry is established, and a steel industry must have economical access to vast supplies of coal.

"This is the finest iron ore found anywhere on the continent," declares President Errington. "Why should we have any trouble selling it? Steel interests from all over the country have been coming to see us about it. The rest of the world is paying more attention to this development than Canada."

"I have yet to be shown that it is a great deposit, or that the ore is very rich or that they will be able to sell it," declares a prominent Canadian steel man.

Those are the two extreme views about Steep Rock. As usual the truth is likely ultimately to be found somewhere in between.

### Location and Resources

Steep Rock is located about 140 miles west of Port Arthur and about four miles north of the railroad line at Atikokan. This puts it about 100 miles north of the famous series of Lake Superior ranges—the Cuyuna, the Mesabi, the Vermilion and all the others which have been the foundation on which the gigantic steel industry of America has been built.

Compare the preliminary facts and probabilities of Steep Rock with the facts of the Lake Superior iron ranges.

Ore reserves of Steep Rock have been mentioned at 100 million tons. But it is generally agreed that a lot more drilling will have to be done to get a real picture of the ore position. Geology indicates that there may be important extension of the ore from both ends so that the 100 million ton figure may be ridiculously low.

For the present, then, the most than can be said about the Steep Rock ore position is that it seems to be immense.

Reserves of the Lake Superior ranges are estimated at about 1,500 millions—but remember this: The Lake Superior mines are taxed on their ore reserves, hence there is a very material inducement not to exaggerate, nor to go ahead developing ore more than a fair margin ahead of operations. As one steel man told me, "I've been in the steel business more than 30 years now, and those Lake Superior reserves have always stayed just about the same. Now and then somebody gets excited about the Lake Superior ranges being depleted, but don't take them too seriously. It's been going for a long time."

### Unusually High Grade

Results of drilling at Steep Rock so far have indicated an unusually high grade of ore. The average grade of all ore mined in the Lake Superior ranges in 1937 was 51.53%. The average for Steep Rock is given at 58% or higher. It is pointed out by steel men, however, that an iron assay is a little different problem to a gold assay and that the Steep Rock grade may be in fact slightly lower than the figure given when allowance is made for moisture content. They admit, though, that the indicated grade at Steep Rock is higher than the Lake Superior average; just how much higher they claim it is too early to estimate.

Another advantage of the Steep Rock ore is that it is low in elements objectionable to steel men such as phosphorus, silica and manganese. Some of these elements are necessary in steel operations, a different type of ore for different types of steel. But for nearly pure iron, Steep Rock seems to have a positive advantage.

Work so far at Steep Rock has been confined to diamond drilling. Shaft sinking has been started, a surface mining plant with bunk houses and so forth is now being installed.

Mr. Errington would not make any statement about probable mining costs. "It's far too early for that yet," he told me.

But here are some of the considerations on the cost angle which have been worked out from U. S. Government documents and from information on the Canadian steel industry?

### Mainly Open-pit

A large part of the ore produced on the iron ranges of the Lake district comes from open-pit mines. With tractors, excavating shovels, great motor trucks and gigantic belt conveyors, the three states of the Lake Superior area, Michigan, Minnesota and Wisconsin tore out of the ground over 60 million tons in 1937.

Open-pit mining is naturally very much cheaper than an underground operation. Here are the costs for open-pit mining in Minnesota, by far the largest iron producing state. The figures are for 1935, the latest available. Development $0.253 per ton, labor $0.137, supplies, $0.122, other items, $0.172 and royalty, $0.457. The total is $1.14 per ton. And that does not include taxes which are a heavy item on iron mining. Average taxes for Minnesota producers in 1937 worked out to 56 cents a ton. Because the taxation assessment has no relation to the amount of ore produced the figure on the per ton basis varies widely each year with varying output.

During 1937, Minnesota mined almost 43 million tons by open-pit methods and almost 6 million tons by underground operations. Here are the underground mining costs for the same state for the same year, 1935. Developing $0.065, labor, $0.764, supplies, $0.428, other items, $0.249 and royalty, $0.389. Total is $1.89 cents per ton, another figure to which must be added taxes.

### Lake is on Top

The main Steep Rock ore body so far outlined is under Steep Rock Lake which is at this point a widening out of the Seine River. The lake over the present ore body is deep, about 150 ft. The writer has been told that there is another 150 ft. or so of muck or sludge on the lake bottom.

Mining underneath the lake is not necessarily difficult. It is done quite successfully all over the world. At Cobalt, for instance, a couple of mines there were able to mine up to within 16 ft. of the bottom of the lake. A heavy layer of clay on the lake bottom very effectively sealed out the water.

From information available, it does not appear, however, that Steep Rock Lake provides this clay bottom which would be a very important factor in avoiding water trouble.

The shaft is being sunk on the hanging wall, but the footwall is said to be breccia, a very porous formation which might raise some difficult engineering and mining problems.

It has been mentioned that if the Steep Rock operation fulfills its early promise, serious consideration would be given to diverting the Seine River to permit open cut mining.

### Low-cost Gold Mines

Two of the lowest cost producing gold mines in Canada are Howey and Young Davidson. Howey turns out gold at a total cost of $2.28 per ton. Young Davidson, a large open-pit operation, has costs of about $2.37. Those figures, of course, include milling. To get a figure comparable with an iron mining proposition, take only the Howey costs per ton for development and exploration, mining and half the costs given for general and administrative expenses, half for depreciation (since there will be less plant), half for taxes and the same for deferred development write-off. That leaves a total cost per ton of $1.28.

That is obviously a very rough figure in that it does some assuming in halving certain items of cost. But it is an approximation of what the lowest cost gold mine in Canada could do when milling is left out of the picture.

Total production costs at Noranda where there is a giant ore body which lends itself to an unusually economical method of mining are $5.85 per ton for 1938; another figure which should be juggled like the foregoing to lop off some of the operations and costs which will not be necessary at Steep Rock.

### Just as Accessible

In accessibility, Steep Rock, geographically, is as well favored as the Lake Superior ranges. The latter are from 50 to 150 miles from the lake. Steep Rock is 140 miles west of Port Arthur. The Lake Superior ranges have the advantage at the present time of a great network of railways, many of them specially built to serve the mines. Some of these "iron" lines have been among the most profitable roads in the continent. After all, a road that carries virtually no passengers, has no expensive ticket offices or waiting rooms to maintain, and that does a steady slow run of 100 miles or so downhill loaded, and an uphill return empty, should make a profit.

Steep Rock is about four miles north of the C.N.R. divisional point, Atikoken. The C.N.R. now has a survey party studying a right-of-way for a spur line into the Steep Rock property.

It is an old axiom that you have to get coal and iron together before you've got much. In this regard the Steep Rock ore is in just as good a position as the Lake Superior ores once it gets to Port Arthur. Cheap lake transportation is just as available for the Ontario as the American ore. And the iron industry of this continent has developed an economical propinquity for iron and coal which allows profitable shipment of ore to the coal fields of the Pennsylvania area and to the steel towns of Buffalo, Lackawanna, Cleveland, Pittsburgh, Johnstown, Steubenville, Wheeling and the rest.

### Expect Good Rail Rate

Rail costs for the 144 miles from Steep Rock to Port Arthur docks will have to be worked out, but it can be expected that the railways will name a fairly good rate. In the Lake Superior ranges, freight rates from mine to the ship run around 93 cents a ton. In view of the highly developed rail system in the Lake Superior ranges, it is probable that Steep Rock may not get such a relatively good rate immediately. On the other hand, there is understood to be a financial tie-up between some of the iron and railroad interests, so it is probable that rail rates are not necessarily economic and that they provide another outlet for profits.

A great many variables enter the picture once ore is loaded on a boat at the head of the Great Lakes. There is difference in destination, financial tie-ups between shipping and ore and steel companies, and so on.

### Must Use Canadian Vessels

It is estimated on good authority that Steep Rock is unlikely to get as good a lake rate as most of the American ore producers for some time. Hamilton is the great steel centre of central Canada. It is a longer haul there than to the iron ore ports of Lake Erie. Very important it also involves Welland canal tolls. Because of the shipping regulation that Canadian vessels must handle all freight from a Canadian port to a Canadian port, the Steep Rock ore that stays in Canada will have to be handled by Canadian shipping companies which will not have American ore carrier competition in bidding for this business. Furthermore, remember that the Government bounty applies only to ore sold in Canada.

Putting together estimated costs for the Lake Superior ores gives the following results: mining, $1.14 to $1.89 and rail from mine to ship, 93 cents. Current price for average (about 51%) grade Lake Superior ore delivered at Lake Erie ports is around $5 per ton.

Will Steep Rock ore command a premium price? It has been commonly asserted that it will. On the other hand, a steel operator has told this writer that he is rather doubtful if it will. His argument is that being "almost pure" iron is not the only requirement of desirable ore and that the extreme hardness of this ore may so raise grinding costs as to take away from the price some or all of the gain accruing from other and desirable properties of the ore.

One positive advantage Steep Rock has is the Ontario Government bounty. It has been suggested, however, that if the Steep Rock operation is successful the Government would likely withdraw the bounty, its avowed purpose of encouraging the foundation of an iron industry in Canada being achieved.

Meanwhile, on the grade of ore indicated by drilling at Steep Rock, the bounty would amount to around $1.16 per ton, two cents per unit.

### No Tariff

There is no tariff on American ores coming into Canada and there is no bounty if Canadian ores are sold for use in American furnaces. There is a very close interdependence between Canadian steel firms and Lake Superior iron producers which has been built up over long years and which would not be thrown overboard lightly. Steep Rock will have to show it has ore that will last many, many years, before the steel men are likely to feel justified in establishing completely new channels of trade. There's nothing sinister or un-Canadian about that probable hesitation. It is just the same problem in the crude oil or the banana business.

Algoma Steel at Sault Ste. Marie now has its New Helen iron mine at Michipicoten in operation. It is admitted that without the Government bounty, the operation would not be economic. Steel Company of Canada, Hamilton, owns some of its own iron mines in the Lake Superior region.

Both companies, of course, have to buy much ore from other sources. Outside of ore from Newfoundland for the Nova Scotia steel industry and some trickles of Swedish ore on the lower St. Lawrence, all iron ore for Ontario steel plants comes from United States.

### 600,000 Tons Year

Size of the operation is an important cost factor, especially in iron mining. Mr. Errington has announced Steep Rock will start at 2,000 tons daily or about 600,000 tons per year. Average yearly production for individual mines in the Lake Superior ranges is 412,000 tons.

One consideration about the Steep Rock ore is its type, as opposed to its grade. Various kinds of steel operations require different types of ore. On Lake Superior ranges, types of ore have been pretty well standardized. One car of this ore, two cars of that ore and three cars of this other ore, are mixed and tested and the blast furnace operators can be assured of a standard "brand," plus selection of nearly all the "brands" from the same general source.

How successful Steep Rock will be in offering a selection of "brands" or in being able to provide a standard brand for which there is a big Canadian market cannot yet be determined.

Probability is that for some time to come the inland Canada steel industry will be taking ore from United States. Canada's iron ore consumption is not great and fluctuates widely with general business conditions. Our ore consumption reached a low of 60,000 tons in 1932 and a high of 2,186,000 in 1929. In 1937, United States used about 70 million tons. In some quarters it is believed that an important market for Canadian iron ore could be developed in Great Britain.

As the Canadian industrial set-up grows and acquires greater maturity, possession of the basic industries, iron and steel, within our own borders becomes increasingly important. Not only might the Steep Rock mining operation become the centre of a large new community in a still frontier part of Canada, but it might be the forerunner of other very important mining and industrial developments.

If experience at Steep Rock confirms hopes, its original developers, Joseph Errington, Major General D. M. Hogarth and Jules Cross, will have made a major contribution to Canada's industrial stature. But there are still some big and very important ifs.

# Mining Enquiries

## Privateer Mine

Please give me some information on the progress of development at the Privateer Mine property in British Columbia. Is any information available on current earnings?

---

Privateer Mine has been very fortunate in the results of recent development. Surface exploration has disclosed a number of new veins and at least one of these has the high-grade characteristics of the original Privateer vein. Drifts have been started from the surface on two veins and results on this exploration work are expected shortly. In addition, a certain amount of lower grade ore is being opened up in the Van Isle workings and some of this is being currently sent to the mill.

On the adjoining Prident property, in which Privateer has a 48% interest, a 400-ft. length of high grade ore has been opened up and prospects appear good a substantial addition to this length will be made. At the Privateer property proper, the main vein lost its very high grade characteristics on the bottom level at 1,100 ft. but a cross cut on the level above has revealed another vein which has very high-grade ore although this vein too like the Privateer vein is very narrow.

Additional equipment is being installed at the property at the present time and an extended programme of exploration will be possible within the next month or two. One of the projects to be carried out is deepening of the shaft for additional levels. Profits are believed to be running in the neighborhood of 35 cents a share and the company is being generous in the distribution of dividends. On Aug. 10, 1939, the company will distribute its quarterly dividend of 5 cents a share plus an extra dividend of 2 cents a share payable to shareholders of record of July 31.

Ore reserves at the end of 1938 were equal to approximately two years' milling requirements and from results reported so far in 1939 it appears that these reserves have been maintained if not actually increased.

## Little Long Lac

I have been informed that the ore body at Little Long Lac Gold Mines is becoming much narrower at depth and I am seriously considering selling the 900 shares I hold. Will you please give me some information on the present situation?

---

The statement that ore at Little Long Lac Gold Mines is tending to narrow at depth is hardly in accordance with the facts. While some narrowing of the ore body was noted around the 1152-ft. level, ore dimensions on the bottom level at 1,600 ft. appear greater than the upper horizon. At last report, 784.5 ft. of ore had been developed on the 1,600-ft. level averaging $26.98 per ton across an average width of 51 in., with ore understood to be continuing in both faces. On the 1,152-ft. level, a length of 1,072 ft. of continuous ore was opened up averaging $16.17 across an average width of 4.05 ft. Apparently values may be improving with depth. The stock has lost a large part of its speculative appeal but there is no apparent reason why good dividends should not be paid for many years. Ore reserves at the end of 1938 were equal to approximately four years' milling requirement and approximately one year's ore supply is added for each 150 ft. of vertical depth explored.

## Albany River

As a shareholder in Albany River Gold Mines I would be very pleased to receive information on the present position and any likelihood of a revival of speculative interest in the company's shares.

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While it was originally expected that electric power for operations at Albany River Gold Mines would be available this September it now appears power will not be ready until much later in the year. An alternative plan to use steam power until electric power becomes available is now being considered, however. Plans now call for putting out a 700-ft. drive to test four ore shoots indicated by diamond drilling in a new section of the property. There is some ore developed in the present working but apparently the Pickle Crow engineers do not consider this most important.

The company's stock is practically inactive at the present time but there is a possibility that some movement may take place when development once more gets under way and some news on results is released. At the present time, the stock seems to be suffering from two things—the generally depressed level of mining stock prices and the fact that no work is now under way at the property.

# Aunor Lays Plans For 300-ton Mill

## Production Anticipated Early 1940 — Eight Faces in Ore

Plans are being laid by Aunor Gold Mines for a mill with an initial capacity of 300 tons daily, James Y. Murdoch, president of Noranda Mines, states in the semi-annual report of that company. It is expected the property will come into production early in 1940.

Since the amalgamation of the Noranda and Augite Porcupine claims, development work has been conducted on the 625, 750, 875 and 1,000-ft. levels, consisting of 2,782 ft. of drifting and crosscutting and 6,860 ft. of drilling. Development work is being continued with eight faces in ore. Approximately 12,760 tons of ore have been stockpiled on the surface, averaging about 0.32 oz. gold per ton.

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# Mining Concentrates

**American Smelting & Refining** is understood to have taken an option on a group of 1,000 acres lying to the northwest of Beattie Gold Mines in the Duparquet area of Quebec. Surface work is to be done and drilling may be completed later. The values are stated to occur in a formation similar to that at the Beattie.

* * *

**Aldermac Copper Corp.** is continuing milling operations at 1,000 tons daily on mine average grade ore. Development work is said to be still heavy since the lower levels are being opened up and a new ore pass system is being cut. Costs, however, are reported at a low level. There has been no news recently of the proposed sulphur extraction plant although the building is complete awaiting machinery. Regular shipments of pyrites are being made, the last amounting to 8,000 tons.

* * *

**Beresford Lake Mines** has commenced diamond drilling its new high-grade vein recently discovered on its property in the Rice Lake area, Man. A length of 160 ft. is stated to be exposed averaging 3 ft. in width. Drilling will also be done along the strike where the vein dips.

* * *

**Belleterre Mines,** McIntyre subsidiary at Mud Lake, Quebec, is stated to be indicating remarkably steady ore by diamond drilling. Extension of the vein first drilled a year and a half ago is the chief work taking place.

* * *

**Classic Sturgeon Gold Mines** is reported to have arranged financing which will permit resumption of work on its property of 40 claims, 2,000 acres in the Sturgeon Lake area of Ontario. It is planned to geologize and map out the surface structure preparatory to spotting holes for a diamond drilling programme.

* * *

**Cariboo-Hudson Gold Mines** has discontinued exploration following the failure of shareholders to subscribe sufficient funds under the recent offering of shares. The mill will also be closed down, it is stated. Management feels that a further $100,000 to $150,000 should be spent on development.

* * *

**Dome Mines** showed a slight decline in production in July from the previous month as shown below:

| | Tons milled | Tons daily | Recov. per ton<br>$ | Total recov.<br>$ |
|---|---|---|---|---|
| July, 1939 | 51,000 | 1,645 | 11.72 | 597,776 |
| June, 1939 | 51,100 | 1,703 | 11.76 | 600,985 |

* * *

**Eva Lake Gold Mines** is reported about to commence diamond drilling at its property in the Beardmore area of Ontario. Several shallow holes are to be put down to prove up to the continuity of the veins on the ground. Some good values are stated to have been disclosed in previous drilling.

* * *

**International Mining Corp.** announces through President H. W. Chadbourne that after careful consideration directors have decided not to extend the expiration date of warrants beyond Sept. 1, 1939. Warrants not exercised by that date will be valueless. During May and June and the early part of July, the corporation reacquired 2,400 shares of stock, leaving a balance of 518,973 shares outstanding in the hands of the public. The corporation now holds in its treasury a total of 4,300 shares of its common stock reacquired at total cost of $27,864.

* * *

**Hallnor Mines** has completed very little development outside of the shaft in the six months ended June 30, 1938, states President J. Y. Murdoch, in the company's semi-annual report. It is anticipated, however, that the shaft will reach its objective of 1,560 ft. by the end of the September. Profits for the six month period were equal to 41.6 cents a share as shown below:

Earnings Statement
Six Months Ended June 30, 1939

| | $ |
|---|---|
| Production, less mktg. exps. | 1,255,350 |
| Less: Oper. exps. | 284,414 |
| Res. for taxes | 44,700 |
| Oper. revenue | 926,236 |
| Add: Misc. income | 2,561 |
| Net earnings | 928,797 |
| Less: Deprec., est. | 54,000 |
| Deferred devel. w/o | 42,000 |
| Est. net profit | 832,797 |
| Earnings per share | $0.4163 |
| Tons Milled | 59,380 |
| Recovery per ton | $21.41 |

* * *

**Gorham Gold Mines** now has a crew on its property 9 miles north of Port Arthur and a programme of diamond drilling is to be carried out.

* * *

**Orpit Mines** is stated to have made a new high grade find 22 ft. east of the shaft on the 8-claim group recently acquired adjoining the McAuley-Bridge claims. Diamond drilling was started a week ago.

**Pamour Porcupine Mines** had an estimated profit of $350,395 equal to 7 cents a share in the six months ended June 30, 1939, the company's semi-annual report reveals. The campaign of heavy development planned for a period of two years has been in progress all this year, the cost being approximately equal to the mining cost. Most of the ore extracted in the first half of the year came from the 200 and 400-ft. levels where all ore has previously come from and grade in the second quarter was lower than expected. Ore is now being developed on the 600, 800 and 1,200-ft. levels and a fair proportion of production in the latter half of the year will come from these new levels. Work in ore on these levels, however, is not sufficiently advanced to make a forecast of grade.

Earnings Statement
Six Months Ended June 30, 1939

| | $ |
|---|---|
| Production, less mktg. exps. | 1,268,694 |
| Less: Devel., min., mill., admin. and gen. exps. | 791,464 |
| Res. for taxes | 11,450 |
| Oper. revenue | 465,780 |
| Add: Misc. income | 13,015 |
| Net earnings | 478,795 |
| Less: Deprec., est. | 84,000 |
| Deferred devel. w/o | 44,400 |
| Est. net profit | 350,395 |
| Earnings per share | $0.07 |
| Tons milled | 287,803 |
| Recovery per ton | $4.47 |

* * *

**Senator-Rouyn** shares were called for trading on the Toronto Stock Exchange on Aug. 8. Following completion of a 50-ft. sump at the bottom of the 500-ft. shaft, crosscutting to the ore zone will be carried out at both the 375 and 500-ft. levels. The ore zone will then be delimited by drifting and diamond drilling. Drilling is estimated to have indicated a length of 416 ft. open at one end averaging $12.60 per ton across an average width of 11.5 ft. Ore in one lens between the 100 and 500-ft. horizons is estimated at 188,000 tons averaging $9.60 in gold per ton. Diamond drilling is being continued to the southeast with medium grade ore intersections. Cash on hand is $40,000.

* * *

**Upper Seine Gold Mines** has acquired additional ground in the Steep Rock-Atikokan area of Ontario adjacent to its original holdings. Prospecting of the three new claims which adjoin the Sawbill section is stated to show favorable geological conditions and several veins have so far been located. All equipment for the company's mill is stated to have been installed.

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